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An Examination of Corporate Financial Performance Within Corporate Socially Responsible Standard & Poor 500 Companies

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Abstract

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MBA, St. Bonaventure University, 2009

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Dissertation Submitted in Partial Fulfillment

of the Requirements for the Degree of

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Management

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Abstract

Many managers are failing to predict and respond to the evolutionary changes within their firm's business environment. Some experts believe that any company not utilizing a corporate social responsibility (CSR) strategy will lose customers, which will have a direct impact on the firm's financial performance. Managers lack a clear understanding of the impacts of CSR strategies on corporate financial performance. The purpose of this quantitative multiple regression-based study was to examine what relationship existed between an organization's CSR strategy and its financial performance. The conceptual frameworks for this research were stakeholder and triple bottom line theories. These frameworks were selected because of their emphasis on CSR implementation. The completed multiple regression analyses focused on S&P 500 companies' relationship of debt to equity, return on assets, and net profit margins with CSR scores to determine if any association existed. Four CSR categories were utilized as independent variables based on CSRHub's reporting: (a) community, (b) employee, (c) environment, and (d) governance. Results from this study found a nonsignificant relationship between CSR and the dependent variables of return on assets and net profit margin. Debt to equity provided a mixed significance level with the independent variables of employees and governance proving insignificant, while community and environment represented a significant relationship. This research has forwarded the understanding of both stakeholder and triple bottom line theory by focusing new CSR research into the direction of the positive relationships and away from those that show no significance. Organizations that focus their CSR policies towards community engagement will benefit from a reduction in debt to equity and will promote social change through increased community improvement.

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Chapter 1: Introduction to the Study

Many managers are failing to satisfactorily predict and respond to the evolution of their industry and changes within their firm's business environment (Jovanovic, 2015). Some managers take a reactionary approach to changes because of these failures (Jovanovic, 2015). Missing an operational context trend may lead to a decrease in profits from which some companies may not recover. Corporate social responsibility (CSR) has emerged as one of these trends. CSR is a self-adopted policy that emphasizes many aspects of an organization's business, not merely profit. CSR policies include, but are not limited to, philanthropic ventures, concern for the environment, and sustainability. These types of policies can lead to an increase in goodwill and enhanced positive corporate image (De Leaniz, Martínez García, & Del, 2016). De Leaniz et al., (2016) suggest that even a small increase in faithful customers could contribute to substantial gains in a business's profits.

Raza, Ilyas, Rauf, and Qamar (2012) found that 76 studies were performed on the relationship between corporate financial performance and CSR between 1972 and 2012. Raza et al. (2012) and Fu and Jia (2012) revealed that there was no consensus among researchers regarding the outcomes of the studies. There has been a split in findings that either supports or fails to support the existence of a relationship between increased CSR and financial profits (Ahamed, Almsafir, & Al-Smadi, 2014; Lioui & Sharma, 2012; Varenova, Samy, & Combs, 2013). Margolis, Elfenbein, and Walsh (2012) found a weak positive correlation based on an examination of 167 studies conducted before 2009. Brower and Mahajan (2013) argued that although approximately 65% of previous research confirmed a positive correlation between CSR and profit, the percentage of financial gain compared to companies without a CSR emphasis was unclear.

An increased trend in quantitative-based scholarly CSR literature has shown that the mixed results from earlier research has not provided the answers needed to determine whether a CSR policy is beneficial to corporate financial health (Taneja, Taneja, & Gupta, 2011). Stanley (2011) suggested that there is a need for further research to increase the number of United States (U.S.) based CSR firms examined to provide a more robust picture of how a corporation's CSR policy is related to corporate profits. Lim (2017) reinforced this recommendation and proposed a longitudinal study utilizing regression analysis to examine how U.S. based CSR affects businesses and stakeholders over multiple years.

Background of the Study

Modern social environments have changed the way many organizational stakeholders view CSR. Stakeholders are placing greater emphasis on the environmental and social impact of business activities (Conway, Kiefer, Hartley, & Briner, 2014). Corporate executives are tasked with finding a balance between the rising value placed on CSR by stakeholders, and the financial demands of the shareholders. Results of previous research focusing on CSR effects on financial performance have been mixed (Ahamed et al., 2014; Lioui & Sharma, 2012; Margolis et al., 2012; Varenova et al., 2013).

Corporate financial performance (CFP) was found to be a subjective measure that illustrates how efficiently an organization can use its assets to generate profit (Fu & Jia, 2012; Margolis et al., 2012). Measuring financial performance has differed between research based on the primary purpose of the researcher's study (Fu & Jia, 2012). The difference in results has been attributed in part to fluctuating measurement criteria that has led to systemically different results (Fu & Jia, 2012). Fu and Jia, (2012) and Andersen and Olsen (2011) found that any correlation between CSR and CFP has not been entirely established and the relationship between the two

remains unanswered (Table 1). Fu and Jia (2012) and Margolis et al. (2012) combined to research over 200 studies whose results focused on CSR effects on corporate financial performance. They determined that there was a minor positive correlation found in most studies of just over 60% (Margolis et al., 2012). Mixed and negative outcomes combined for the results of the other studies. Because each study is constructed slightly different, overall CSR influence may be difficult to measure. Only when all aspects of financial performance are measure may a real trend emerge (Margolis et al., 2012).

Table 1

Sampling of Previous CSR Effects on Financial Performance Research Results From 2012-2019

Researchers	Year	Result
Gangi, Mustilli, & Varrone	2019	Positive
Martínez, & Nishiyama	2019	Positive
Yim, Bae, Lim, & Kwon	2019	Positive
Benlemlih, Jaballah, & Peillex	2018	Positive
Kim, Kim, & Qian	2018	Positive
Macaulay, Peng, Richard, & Washburn	2019	Mixed / Neutral
Chen, Guo, Hsiao, & Chen	2018	Mixed / Neutral
Quéré, Nouyrigat, & Baker	2018	Mixed / Neutral
Allard	2018	Negative
Peng & Yang	2014	Negative
Baird, Geylani, & Roberts	2012	Negative
Soana	2011	Negative

Note. Information for this table was extracted from direct research and from Galant and Cadez (2017).

Corporate social responsibility is reflected through policies that show concern for the environment, corporate citizenship, and social wellbeing. Increases in CSR have been linked to declining organizational profit (Goering, 2014). Researchers have found a negative correlation between profit maximization and stakeholder goodwill (Blomgren, 2011; Goering, 2014).

Offsetting the call for increased CSR policies, corporate stockholders continue to demand increased profits and reduced expenses to maximize profits.

Stakeholders' views of a company's CSR differ from those of its shareholders. Conway et al. (2014) discovered that the number of businesses conforming to a profit maximization policy dramatically increased during the late twentieth and early twenty-first centuries. Some consider corporate social responsibility to be a way of balancing profit with stakeholders' wellbeing (Grant, 2011; Lagoarde-Segot, 2011). Lugovoy, Mazelis, and Solodukhin (2012) examined the levels of CSR needed to affect the relationship between business and stakeholders. Lugovoy et al. (2012) found that the less perceived value stakeholders received, the more likely they were to abandon the relationship.

Martínez-Ferrero, Banerjee, and García-Sánchez, (2014) and Mason and Simmons (2014) have conducted numerous studies on CSR policies. One area of research that has provided inconclusive results has been in delivering statistical evidence that can be used by top-level executives to convince board members to adopt or reject a CSR policy. Stanley (2011) attempted to provide this evidence by examining the relationship between CSR and organizational profits.

Stanley (2011) analyzed how social responsibility and financial performance influence the investment decision-making processes. A positive relationship was found to exist between the two measured variables. This relationship showed a strong association after analyzing whether a correlational relationship existed between the market capitalization and social rating scores of 359 United States based socially responsible companies. The results were vulnerable to criticisms of bias since the sample was comprised of only the top 10% of the socially responsible examined companies.

Since results have been mixed (Martínez-Ferrero et al., 2014; Mason & Simmons 2014), it is essential to provide a more in-depth and expanded analysis of the effects of CSR on organizational profits. A study expanded to include all the S&P 500 companies, stratified by index category, could help better understand any correlation between CSR, industry, and organizational profit. Unlike Stanley's (2011) study, an ESG index will not be limited to the top 10% of socially responsible companies but will instead focus on any level of corporate social responsiveness related to the top 500 companies from the S&P 500. This modification from Stanley's (2011) original study could provide additional depth and expansion of the issue.

Problem Statement

Companies not utilizing a corporate social responsibility (CRS) strategy are losing customers (Oladimeji, Adebayo, & Ogunshola, 2017) and this loss of customers can have a direct impact on a firm's financial performance (Jerónimo, Vázquez-Brust, Plaza-Úbeda, & Dijkshoorn, 2013). Doorn, Onrust, Verhoef, and Bügel, (2017) found that stakeholder saturation may occur within an organizations CSR based policy lessoning its efficiency. There is a general problem of management not having complete knowledge of what the financial consequences are between a fully engaged CSR practicing company and those who have limited CSR policy operating in the same industry (Crifo & Forget, 2015). There is a gap in the literature explaining how debt to equity (D/E), net profit margin (NPM), and return on assets (ROA) affects the financial performance of U.S. corporations that utilize a CSR policy compared to those that do not have a specific CSR mission. The specific problem is a lack of understanding of how these financial performance measures differ between CSR and non-CSR focused companies listed throughout all sectors of the U. S. S&P 500 index. If any variations were found, the results may lend themselves to addressing the question of whether, and to what degree, failure to adopt CSR

initiatives adversely or positively affects shareholders, stakeholders, and the public these organizations serve (Kim et al., 2018).

Purpose of the Study

The purpose of this quantitative multiple regression-based study was to examine what relationship existed between organizations corporate social responsibility policies (CSR) and their financial performance. The independent variable of corporate social responsibility was defined using the European Commission's (2001) guidelines stating how companies assimilate environmental and social policies into their business processes and how they share those plans with stakeholders as measured using CSRHub's ESG rating system. Each company was then placed into a contingency table (Tables A1-A13) using the S&P 500 index's eleven sectors: energy, materials, industrials, consumer discretionary, consumer staples, healthcare, financials, information technology, communication services, utilities, and real estate (Table 2), for comparison. A visual inspection of the resulting contingency tables helped determine whether any S&P 500 industry classification displays a greater relationship between S&P 500 category and CSR performance. There were multiple dependent variables for this study represented by D/E, ROA NPM. A firm's financial performance was defined using financial data contained in the S&P 500 and consisted of three major areas: debt to equity, short-term profit and long-term profit.

Table 2

S&P 500 Sectors and Breakdown

S&P Industry Sector		Number of Stocks per Sector	Weighted Sector Breakdown
1.	Energy	28	5.5%
2.	Materials	27	5.3%
3.	Industrials	69	13.7%

4.	Consumer discretionary	63	12.5%
5.	Consumer staples	33	6.5%
6.	Healthcare	61	12.1%
7	Financials	67	13.3%
8.	Information technology	70	13.9%
9	Communication services	27	5.3%
10.	Utilities	28	5.5%
11.	Real estate	32	6.3%
	TOTAL	**505***	**99.9%**

Note. Alphabet, Discovery, Fox Corp., News Corp., and Under Armour each have 2 classes of stock listed. This raised the total number of stocks listed on the S&P 500 from 500 to 505 (S&P Dow Jones, 2019).
Note. All information retrieved from S&P Dow Jones, (2019).

Research Question(s) and Hypotheses

This study was guided by the following research questions (RQs) and hypotheses:

RQ1: What is the relationship between corporate social responsibility and return on assets for companies listed in the S&P 500 for the year 2018.

$H1_0$: There is no statistically significant relationship between corporate social responsibility and return on assets for companies listed in the S&P 500 for the year 2018.

$H1_A$: There is a statistically significant relationship between corporate social responsibility and return on assets for companies listed in the S&P 500 for the year 2018.

RQ2: What is the relationship between corporate social responsibility and debt-versus-equity for companies listed in the S&P 500 for the year 2018.

$H2_0$: There is no statistically significant relationship between corporate social responsibility and debt-versus-equity in companies listed in the S&P 500 for the year 2018.

$H2_A$: There is a statistically significant relationship between corporate social responsibility and debt-versus-equity in companies listed in the S&P 500 for the year 2018.

RQ3: What is the relationship between corporate social responsibility and net profit margin in companies listed in the S&P 500 for the year 2018.

$H3_0$: There is no statistically significant relationship between corporate social responsibility and net profit margin in companies listed in the S&P 500 for the year 2018.

$H3_A$: There is a statistically significant relationship between corporate social responsibility and net profit margin in companies listed in the S&P 500 for the year 2018.

Theoretical Foundation

The purpose of this descriptive quantitative regression-based study was to examine the strength of the relationship between an organization's corporate social responsibility policy (CSR) and financial performance using regression analysis. The theoretical base for this study was Freeman's (1984) stakeholder and Elkington's (1999) triple bottom line theories. Elkington (1999) developed the triple bottom line (TBL) framework as an extension on ST. Stakeholder theory (Freeman, 1984) was described by Van Der Linden and Freeman (2017) as a way appease both shareholders and stockholders through delivering products and services, increasing employment, protecting the environment, respecting human rights, and respecting governmental policies. Not all the pre-mentioned values are present within each company and complications can arise that can divide corporate decision makers. There is debate on which method to administer and deliver stakeholder driven policies is most effective (Van Der Linden & Freeman, 2017).

Multiple recent examinations of corporate governance and sustainability within a triple bottom line framework (Elkington, 1999) have been conducted (Coskun-Arslan, & Kisacik, 2017; Hussain, Rigoni, & Orij, 2018) and have attempted to build on Elkington's (1999) original study. As CSR has risen to importance, triple bottom line has evolved to provide equal weight to

economic, environmental, and social dimensions (Hussain et al., 2018). Although TBL (Elkington, 1999) is a voluntary measure, firms are increasing its usage to assist in measuring corporate governance (Hussain et al., 2018; Wood, 2010). For this study, TBL (Elkington, 1999) built on ST (Freeman, 1984) and helped to address the decisions stakeholders make when choosing an investment. Economic risk versus reward, along with how social and environmental values contribute to managerial decisions were examined within this framework. This approach was expanded on by reviewing how corporate social responsibility influenced investors and by how much. Additional research and application of Freeman's (1984) and Elkington's (1999) theories within this study helped to develop more profound insight into the influences affecting management and stakeholders' decision-making processes.

Freeman hypothesized that as stakeholders increase their requests on organizations to become more socially conscious, the pressure will lead to an evolution of ST (Freeman, 1984) and TBL (Elkington, 1999) theories. The consumer's amplified emphasis on socially responsible actions, such as increased environmental concern, sustainability, and community involvement, influenced patronage rates for those companies engaged in CSR policy. Stakeholder theory was examined to determine if the values put forth by Freeman (1984) and Elkington's (1999) triple bottom line framework extension still hold true in the ever-changing business environment. This theory was reviewed and examined in detail in Chapter 2.

Nature of the Study

The nature of this research was a quantitative descriptive regression-based study. Quantitative research is consistent with understanding and measuring the level of correlation between an organization's CSR and its financial performance. Freeman's (1984) stakeholder theory, along with Elkington's (1999) triple bottom line framework, provided the basis for and

guided this new research. This study focused on recommendations made by Stanley (2011) that suggested a need for a more encompassing CSR selection of funds to provide a more accurate assessment of the strength of a CSR policy and corporate profit relationship. A stratified sampling of all CSR participating S&P 500 companies listed on CSRHub index and S&P 500 Index was examined along with their 10k reports. This information was used to expound on the relationship between organizational CSR and financial performance measured using D/E, NPM, and ROA. The descriptive data were examined between CSR rating and financial performance by S&P 500 industry sector.

Both correlation and regression analysis were used to better understand the relationship between CSR and organizational profits. Profitability is one measure used by major rating agencies, such as A.M. Best and Standard and Poor, to help determine financial performance and credit rating (Ames, Hines, & Sankara, 2018; Wiemken, 2019; Wong-Fupuy, & McGuigan, 2018). Multiple regression was used when analyzing multiple variables such as CSR ranking, D/E, NPM, and ROA. This analysis allowed for multiple independent variables to be evaluated against multiple dependent variables separately ("Introduction", 2013). Each company was placed into a contingency table for review once regression analysis was completed on all variables (Tables A1 – A13). This type of quantitative analysis helped determine the financial implications of a CSR policy that provide a reliable resource for senior management to use in their decision-making process.

Definitions

Corporate social responsibility (CSR): How companies assimilate environmental and social policies into their business processes and how those policies relate financially to both stockholders and stakeholders (European Commission, 2001) and represent the independent

variable of this study. CSR consists of CSRHub's ESG index rating system. This system breaks CSR down into four primary categories: (a) community, (b) employee, (c) environment, (d) and governance (ESG, 2019).

Debt: Represents the dependent variable of this study and will consists of three parts: Debt and Debt financing represented by debt to equity ratio (D/E) and focused on a firm's leverage and its ability to maintain its current level of product and corporate policies; Short-term profit represented by net profit margin (NPM) showed how much profit is made off all revenue for a given year, or one year or less; Long-term profit represented by return on assists (ROA) was defined as a measure that may affect profits over one year.

Debt to equity ratio (D/E): (Debt/Equity Ratio = Total Liabilities / Shareholders' Equity). Measures financial leverage. It examines an organization's total liability in relation to its stockholder equity. D/E helped determine a company's debt and debt financing (Gallo, 2015).

Financial performance: Represents a corporation's ability to succeed and was measured using debt to equity (D/E), net profit margin (NPM), and return on assets (ROA). Information was retrieved using an organizations 10k reports for a given year.

Market capitalization (MC): (Market Capitalization = Outstanding shares / Current Market Share Price). Represents the total dollar value of an organization's outstanding stock. Beneficial in determining company size. (Gallo, 2017).

CSRHub ESG Index: Leader of in-depth ESG research, ratings, assimilation and analysis of the environmental, social, and governance related business practices. Used to provide CSR rankings using four primary and 12 secondary groupings. Four primary categories: (a) community, (b) employee, (c) environment, (d) and governance. Twelve secondary categories: (a) community development and philanthropy, (b) product, (c) human rights and supply chain,

(d) compensation and benefits (e) diversity and labor rights, (f) training, health, and safety, (g) energy and climate change (h) environmental policy and reporting, (i) resource management, (j) board, (k) leadership ethics, (l) transparency and reporting (ESG, 2019).

Net profit margins (NPM): (Net Profit Margin = Net profit / Total Revenues). Helped to determine how much profit a business makes for each dollar of sales. When used in conjunction with the ROA, the NPM helps determine a company's profit level (Gallo, 2017).

Return on assets (ROA): (ROA = Net Income / Total Assets). A financial indicator that measures a company's profitability compared to its total assets (Breece, 2017).

Stakeholder: Any entity that has an interest in the success or failure of an organization such as employees, suppliers, customers, and local community (Hoskisson, Gambeta, Green, & Li, 2018).

Assumptions

Several assumptions were made based on the design of this study. The first assumption was that all data displayed on all organizational 10k reports, CSRHub, socially responsible companies index and the S&P 500 environmental and socially responsible index is reported truthfully and is accurate. Because this information is provided by each company, it is assumed that all financial information presented to the Security and Exchange Commission (SEC) is honest and accurate at the reporting time. The second assumption was that an examination of the S&P 500 will offer an illustration of the United States business environment. Third, a business' social performance can be assessed using CSRHub ESG index framework which is composed of four primary groupings (a) community, (b) employee, (c) environment, (d) and governance, (ESG, 2019). Lastly, return on assets, debt-to-equity ratio, and net profit margins, can be used as an indicator of a corporation's financial profitability. Each ratio represents a distinction of

corporate value. Combined, each financial measurement could contribute to and help determine levels of profitability.

Scope and Delimitations

This study was conducted using a sampling of all 500 United States-based companies of the 2018 S&P 500 index. All eleven sectors (Energy, Materials, Industrials, Consumer Discretionary, Consumer Staples, Health Care, Financials, Information Technology, Telecommunication Services, Utilities, and Real Estate) were examined to describe the relationship between CSR and financial performance. Previous studies (Lim, 2017; Stanley, 2011) used market capitalization to position and conduct their research. Market sizes for all S&P 500 firms fall under mega-cap with market value over 200 billion, and large-cap with values between 1.10 and 199 billion (Table 3). Other S&P indexes such as S&P 400 focus on mid-cap companies with values between 2 and 10 billion, while the S&P 600 focus on small-cap with values between 50 million and 2 billion (Collver, 2014).

The S&P 500 is made up of the companies with the largest market capitalization in the United States. Market capitalization measures the market value of outstanding shares of stock (Arnott, Beck, & Kalesnik, 2016). Although market capitalization allowed for the value of a company to be measured, it may not be effective at separating CSR based profits from traditional profits. Not all companies have the same level of outstanding stock (Root, Rozycki, & Suh, 2014). Differences in the number of outstanding shares could influence stock price amongst S&P 500 companies (Root et al., 2014). Due to the differences in outstanding shares and the affect they can have on price, market capitalization may not be an effective way to measure the results of a CSR policy on organizational profits (Root et al., 2014). Return on assets will instead be used as a measurable dependent variable.

Table 3

Market Capitalization Size Chart

Market Capitalization	**Market Value Range**
Mega-cap	Over 200 billion
Large-cap	10-199 billion
Mid-cap	$2-$10 billion
Small-cap	$250 million - $2 billion
Micro-cap	$50-$250 million
Nano-cap	Less than $50 million

Note. Information retrieved from Collver, (2014) Ratings criteria, (2018) and S&P Dow Jones Indices (2019).

There have been many studies (Lim, 2017; Stanley, 2011) that have examined some mixture of small, mid, and large-cap S&P 500 companies. This study will include all sizes of market capitalization companies listed on the S&P 500 companies with both higher (mega-cap) lower (large-cap) market capitalization and will expand on an under-analyzed portion of the market. Utilizing a sampling of all 500 companies listed on the S&P 500 allowed for more encompassing research and moved this area of study towards generalizability. Previous researchers (Stanley, 2011) have only utilized a portion of companies listed on the S&P 500 index. Analysis of a sampling of all 500 companies provided a more in-depth study. This allowed for the CSR and financial comparison results to be divided into S&P 500 index sectors to determine the effect on each. The information gained allowed for a more complete picture of the impact that CSR has on corporate finances within each S&P 500 sector.

Limitations

Data provided a limitation to this study. CSRHub ESG index provided the CSR ratings. CSRHub is a leader in environment, social, and governance (ESG) reporting. CSRHub utilizes a plethora of qualified ratings organizations to assimilate data into one cohesive measure. Rating organizations such as, Dow Jones Sustainability Indexes, Ideal Ratings, ISS, MSCI, TRUCost,

and Vegio Eiris data are aggregated to form a mean CSR/ESG score for each rating category (ESG, 2019). Data is only as accurate as the company that had it produced. CSRHub was chosen because of its reputation for quality data reporting. CSRHub helped in mitigating this limitation.

The U.S. S&P 500 offered a list of companies located throughout 11 sectors. Information displayed in this Index was provided by each company through its annual 10K report. Secondary data has a disadvantage of not always being current. The most recent year of available data were 2018 and was used to form the basis of this study. Further limitations that faced this study was the lack of longitudinal data. Utilizing only one year's worth of data cannot provide a complete picture. The results represent only a moment in time.

It is essential to understand both the advantages and disadvantages of a longitudinal study, and whys it was not chosen for this new study. Longitudinal studies allow for the identification of trends with a high level of validity. Because CSR measurements are taken over a selected period, trends may be easier identified. These trends may provide a clearer understanding of the study's purpose as it relates to the independent variables. Discovering a pattern within the CSR data can lead to a higher level of validity when estimating future results (Gaille, 2020).

A longitudinal study does have its disadvantages. The most prevalent issue is that of unpredictability over an extended period. This issue proved most problematic as numerous corporations have moved in and out of the S&P 500 throughout its inception. Being able to measure the same organizations over a selected period could prove difficult, given the S&P 500's steady turnover rate. From January 1st, 2014, there December 31st, 2018, there have been 124 company changes or approximately a 25 percent turnover within the S&P 500 index (S&P Dow Jones Indices, 2019). Though organizations that leave the S&P 500 are replaced with

businesses within the same category, the level of organizational CSR initiatives may vary considerably between the organization leaving and the one joining the index. One other major issue facing a longitudinal study can be reliability. Any piece of a distorted or inaccurate datum can undermine the results of the research (Gaille, 2020). Data corruption can originate from multiple places during a study. One inaccurate set of data can reduce the validity of a study's results. Longitudinal data gathering over many years significantly increases the chance of data corruption and an inaccurate study result (Gaille, 2020). A nonlongitudinal study was selected for this study based on these concerns.

Focusing on the year 2018 limited the ability to identify any long-term trends that may occur. CSR initiatives varied based on type of business and industry sector. Results of these policies were different depending on complexity and scope. This study focused on the fiscal year 2018 and could not include the result of all CSR policies. Additional long-range research will need to be completed to reinforce the results of this study.

When researching for this study, it was essential to overcome any research bias or expectations for a negative or positive correlation that supported earlier findings. This current study built on previous studies conducted by Stanley (2011) and Lim (2017). The sample size for this new research increased sample size which altered the results found in the previous studies. It was important to interpret the data and report the analysis with integrity and objectivity.

Specific steps were implemented to address any limitation concerns. The first step was to independently review each of the CSRHub ESG index ratings against the S&P 500 socially responsible index. Doing this ensured that any discrepancy between rankings could be examined and determined if a business should be removed from the study. Financial results found on a company's 10k report were compared against the information provided on the S&P 500 list.

Financial ratios such as return on assets, debt-to-equity ratio, and net profit margins were used to help measure profitability. Another challenging limitation that must be overcome was preconceived research bias. To protect the integrity of the data, individual funds were provided a random number for the analysis, rendering each company's information anonymous. This step prevented any preconceived bias from distorting the analysis.

Significance of the Study

This research study contributed to closing a gap in understanding by determining what correlation existed between corporate CSR policies and companies' financial results. The information gained can be used by corporate leaders to determine how expansive of a CSR strategy to utilize for their firm. The significance of this descriptive quantitative regression-based study was to expand on Stanley's (2011) study that examined the strength of the correlation between corporate social rating and market capitalization scores using CSRHub for the social rating tool.

Stanley's (2011) study utilized only the top 10% of the ESG socially responsible index funds, representing only 400 out of 4000 firms. The new research increased the sample size through a random selection of companies across all numerical ratings of the index, not just the top ten percent. Adding a random sampling of the CSR indexed companies increased the range and accuracy of the regression analysis. Once the extended information was collected, it was then analyzed, and the results were measured against a number of companies found on the CSRHub index in the same industry sectors and market capitalization group. Providing an increased range of index companies and then comparing them to similar companies in the same industry sectors built on Stanley's (2011) research. Doing this expanding the range of CSR indexed funds while differentiating it by examining other companies from the same industry.

The S&P 500 was used as a guide when conducting regression analysis. Each S&P 500 company had its financials matched to the results of CSRHub index rankings. After the analysis, each company was broken down into one of the S&P 500's eleven categories. Each category was then ranked and analyzed in a contingency table to determine the strength of the relationship to a CSR policy.

Corporate social responsibility was determined using CSRHub's ESG index framework. The framework consists of four primary categories: (a) governance, (b) community, (c) employee, (d) and environment (ESG, 2019). The first is corporate governance. Corporate governance was defined as management achieving best practices (Subramanian, Barton, & Wiseman, 2015). These practices are open to interpretation and are often compared with others operating in the same industry (Aguilera, Judge, & Terjesen, 2018). Second is community. Community represents the amount of activity and dedication given to the area where a business has operations or sell products (ESG, 2019). The third category is employee. This focuses on creation and implementation of a safe work environment and a commitment to a balanced work-life relationship. It also examines diversity and consists of an organization effort of inclusion. The employee category includes human rights and discuss how they have increased in meaning amongst global investors. Human rights are defined by the treatment of employees and surrounding organizational stakeholders (ESG, 2019). Environment makes up the fourth criteria. A company's concern and care for the world around them is currently one of the most publicized and cared about component of a corporate CSR policy (Hao, 2016).

Multiple regression analysis was utilized to expand on Stanley's (2011) study and determine the strength of any present relationship. An expanded sample size from CSRHub ESG index provided four factors that formed a corporation's socially responsible rating that was

included in this study. All CSRHub rating criterion were analyzed independently against each dependent variable. Each company's results were then stratified into their respective S&P 500 sector for comparison. This type of analysis helped to predict where potential increases in benefits can occur according to sector.

To measure corporate performance, an analysis of an organization's return on assets, leverage and, profitability was conducted. Measurements of these indicators were taken from each company's annual 10k filings as reported on EDGAR (Filings & Forms, 2017). Return on assets, debt-to-equity ratio, net profit margins, were examined and ranked per each financial category. These ranking provided an overall picture of the financial health of an organization. Regression analysis was then used to determine how CSR policies related to the financial health of each company.

Three multiple regression analyses were used to examine the relationship between the predictor variables and dependent variables (Ford, 2017). Three main data sets were used as the dependent variable: debt and debt financing (D/E), short-term profit (NPM) and long-term profit (ROA). Debt to equity illustrated how much a company has in profit versus debt while maintaining a CSR policy to a described level. Higher percentages of debt assisted in determining the amount of leverage a company can use to continue expanding their products or CSR policies. Short-term profit provided insight into the amount of current revenue generated by an organization against its liabilities while long-term profit provided a look on how assets provide value over a given period. The results from the comparison of revenues to debt was then used to assess the firm's financial health in relation to its company size. These three dependent variables were then matched against an independent variables of CSR ranking. Each companies'

results were then stratified into one of the eleven S&P 500 sectors to determine how each is affected.

Advancement of knowledge in connection with this research could lead to more resources dedicated to social reforms. Businesses utilizing CSR could make their impact on the environment, community, and workforce through financial investments, volunteerism, and additional forms of philanthropic ventures. Benefits and positive social change could be experienced by all stakeholders and beyond.

Significance to Theory

Stakeholder theory (ST) (Freeman, 1984) was investigated to determine its relevance and reliability as a model for business. The results of the analysis determined if organizations should adopt ST (Freeman, 1984) as a practice to increase both CSR and financial outcomes. The significance of the results will shape ST (Freeman, 1984) moving forward. A positive correlation can provide the evidence needed for managers to adopt CSR. A negative correlation would suggest that CSR could have a less desirable effect on organizational profits.

Significance to Practice

The results of this study will provide management with the information they need to determine whether a CSR policy is in their organization's best interest. With a strong conclusive relationship, corporate leaders can point to this study as evidence to influence senior management whether to adopt CSR policy. Adoption of a CSR policy would then be a way to better position corporate policies.

Significance to Social Change

Corporate social responsibility is a necessity for businesses to gain legitimacy in today's global business environment (Schembera, 2016). Businesses in the United States and around the

world must weigh the effects of improved corporate citizenship as it relates to profits. Critical decisions on pollution, working conditions, and community outreach could have ramifications that can offset financial gains and losses. If a strong correlation is revealed, then corporate managers could have the necessary data to support the implementation or exclusion of a CSR policy.

A CSR study that is nonlongitudinal presented an inherent weakness of not having the ability to determine long term trends (Gaille, 2020). Without long term research that focuses on many years' worth of data, a direct CSR link could not be definitively established. A nonlongitudinal study was not undertaken because of the nature of the S&P 500 index. The S&P 500 index had an approximately 25 percent turnover rate between the years 2014 – 2018 (S&P Dow Jones Indices, 2019). Not being able to examine the same businesses year over year made a longitudinal study problematic. This issue also produced difficulty when determining CSR's effect on social change. With only one year of data analyzed, social change could only be estimated based on the significance level of each research sample. If a strong positive correlation can be determined based on the findings of this study, it could influence the direction corporate managers take when developing policies that affect social change.

Stakeholders would also benefit from a positive relationship as they could use the data to influence government lawmakers and community businesses leaders to adopt such a policy. If a strong positive correlation can be determined based on the findings of this study, it could influence change and lead to positive social change throughout the world.

Summary and Transition

The idea of CSR is not new, early mentions of this concept can be traced to Freeman's stakeholder theory (1984). The idea of increasing the amount of attention given to non-direct

sources of profit was debated and followed an ebb and flow path. Freeman & Liedtka (1991) later wrote a paper discussing the continued relevance of CSR (Freeman & Liedtka, 1991). Recent research by Stanley (2011) and Lim (2017) renews the optimism of the importance of a CSR policy. Stakeholder theory (Freeman, 1984) will be used when examining the strength of a CSR policy and a business's financial results.

This research expanded on existing studies produced by Stanley (2011) and Lim (2017) by increasing the number of companies analyzed using regression analysis. The research also differentiated itself by comparing the finances of an organization employing a CSR policy with those organizations not fully engaged with that type of policy. Increasing the number of S&P 500 companies examined, and then comparing their level of CSR to profits, allowed for a greater understanding of the affects a CSR policy has on corporate performance. The results were compared by each sector of the S&P 500 to determine if any S&P classification were less or more prone to CSR sensitivity. The expansion on the Stanley (2011) and Lim (2017) studies allowed for a more in-depth analysis that can be utilized to verify the strength of correlational findings. The following chapter will provide an in-depth look at the literary research that provides additional evidence explaining and supporting the theoretical foundation and conceptual framework.

Chapter 2: Literature Review

There have been many studies that have focused on CSR policies and their implications on selected industries. Studies (Ahamed et al., 2014; Lim, 2017; Lioui & Sharma, 2012; Varenova et al.,2013) have proven inconclusive with a small majority (approximately 60%) reporting a direct correlation between an organization's CSR policy and its financial results. Few have examined the effects by industry, and there is little research on different industry wholly.

The objective of this research was to examine any variations in financial performance between CSR participating and non-CSR participating companies listed throughout all sectors of the S&P 500 index.

This study was framed by stakeholder theory (ST) (Freeman, 1984). ST (Freeman, 1984) was used to better comprehend how CSR affects organizational bottom lines. Stakeholder theory (Freeman, 1984) was developed to examine the responsibilities of a business, and how those moral, ethical, environmental, and social responsibilities can contribute to increased consumer goodwill and sales. Developed by Freeman (1984), ST has evolved as more researchers have studied its effects. The effects of this evolution are no more evident than in Elkington's (1999) triple bottom line (TBL) framework. Triple bottom line scrutinizes social, financial, and environmental components that affect a corporation's financial profitability. Each section is provided equal merit and is designed to position an organization to succeed long term.

This quantitative multivariate study will be used to examine what relationship exists between an organization's corporate social responsibility policy (CSR) and financial performance and whether industry classification influences these results. The results of this new research will draw upon previous information gleaned from both ST (Freeman, 1984) and TB and assist in bridging gaps in CSR policies and its impact on business.

Literature Search Strategy

When researching the literature, sources included for the review include: 110 articles from Business Market Research Collection, Business Source Complete, EBSCO, Federal Agency Participation, Mergent Online, National Bureau of Economic Research, and ProQuest Central databases. The following search terms were used independently or in conjunction: corporate financial performance, corporate social responsibility (CSR), corporation, Elkington,

financial performance, Freeman, profit maximization, social responsibility, stakeholder theory (ST), triple bottom line theory (TBL). Boolean tools were utilized to narrow and enhance the search constraints. Peer-reviewed journals and articles published since and including 2014 were selected for the majority of selection. Freeman's (1984) work on stakeholder theory and Elkington's (1999) triple bottom line theory required that the date restriction be lifted to secure the most prudent results. Several relevant and influential articles and books also required the 2014 date requirement be relaxed.

Primary works by Freeman (1984) *Strategic management: A stakeholder approach* and Elkington (1999) *Cannibals with forks: The triple bottom line of 21st century business* were used as a starting point. Both ST (Freeman, 1984) and TBL (Elkington, 1999) were then extensively research to determine the extent of their evolution through subsequent exploration. Contemporary research conducted by Arko-Achemfuor, and Dzansi (2015); Cantor, Morrow, and Blackhurst (2015); Çetinkaya, Ağca, and Özutku, (2016); El Akremi, Gond, Swaen, De Roeck, and Igalens, (2018); Hussain et al., (2018); Lim (2017); Olsen (2017; and Stanfield and Tumarkin (2018) has proven paramount in advancing both ST (Freeman, 1984) and TBL (Elkington, 1999). The theory behind, and progression of ST (Freeman, 1984) and TBL (Elkington, 1999), will be laid out and linked to its importance in advancing the CSR relationship to organizational profits and progression.

Theoretical Foundation

The foundations of this study consisted of Stakeholder theory (Freeman, 1984) and triple bottom line (Elkington, 1999). Stakeholder theory (Freeman, 1984) and the accompanying triple bottom line framework (Elkington, 1999) were selected because of their importance and relationship to CSR. This theoretical foundation section focused on literature that has previously

delineated how each theory relates to CSR. Theoretical origins will be explained in greater detail in the following literature review sections.

Stakeholder theory was conceived by Freeman (1984) in his book *Strategic management: A stakeholder approach.* Stakeholder theory (Freeman, 1984) examines how business decisions influence the implementation of both moral and ethical policies. Freeman's views have been extensively published since his 1984 book. His research continues to evolve ST (Freeman, 1984) and allows for research to continue expanding on this important topic. Scholarly research by El Akremi et al., (2018); Hussain, et al., (2018); Lim (2017); Olsen (2017); and Stanfield and Tumarkin (2018) provided information needed to advance ST theory (Freeman, 1984).

El Akremi et al. (2018) examined a common question facing CSR when framed within ST (Freeman, 1984): What is the most accurate measurement approach? Previous definitions have included many different measurement variables (Aguinis, 2011; El Akremi et al., 2018; Morgeson, Aguinis, Waldman, & Siegel, 2013). Issues facing measurement standards include a lack of clear scale. Research preformed using multiple scales can complicate ongoing studies by not streamlining data. Data that are described and reported in different ways can lead to confusion and slows down future research (El Akremi et al., 2018). To overcome this issue, the research for this study will utilize the same scale and list of criteria as its most closely related studies conducted by Lim (2017) and Stanley (2011).

Including the same criteria for measurement was important as it allows for a true examination of the progression amongst research. Previous research conducted by Anderson, 2019; Barny, 2018; Kruse, 2019; Lim (2017) and Stanley (2011) utilized information found in CSRHub's CSR measurement ratings. Four groupings derived and measured by CSRHub was used as a standard for this new research. The four groupings are (a) community, (b) employee,

(c) environment, (d) and governance, (ESG, 2019). One area not apparent in this measuring system is government. The importance of government cannot be overstated. Each category presented by CSRHub incorporates and is influenced by governmental policy. Laws and policies are intertwined within community, diversity, environment, and human rights.

Governmental involvement and influence as a stakeholder (Arumemi, 2016; Igan & Mishra, 2014; Olsen, 2017; Stanfield & Tumarkin, 2018) were examined for influence in relation to CSR framed by both ST and TBL. Of all stakeholders, government can exert additional influence over a business through the use or threat of legislation. Researchers have examined the effects governments can have on a ST (Freeman, 1984) and CSR and found a trend in taking advantage of governmental credits for hiring convicts (Arumemi, 2016; Igan & Mishra, 2014; Olsen, 2017; Stanfield & Tumarkin, 2018). Businesses taking advantage of these types of programs can assist in the rehabilitation of an individual in a community, as well as improving the conditions of a given communal area.

Olsen's (2017) research advanced information available to business regarding financing and availability to low-income stakeholders. Inclusive policies represent a key criterion for a CSR policy. By engaging all income level stakeholders, a business can attract more customers while improving the communities in which they conduct business (Al-Thaqeb, 2016; Olsen, 2017). Providing resources to low level earners opens opportunities with government officials for financing, variances, and contracts (Igan & Mishra, 2014; Stanfield & Tumarkin, 2018). Topics, such as government as a stakeholder and its influence over business decision-making processes, may help add depth to ST (Freeman, 1984) and provide additional information improve the theory for future researchers.

Lim (2017) and Stanley (2011) both produced studies that were paramount for this investigation. Each utilized ST (Freeman, 1984) and examined whether CSR influenced corporate finance. The information gleaned from their studies provided the foundation for this current research. Both the number of companies explored, and the investigation into the relationship with the S&P 500 index groups, expanded the knowledge contained within ST (Freeman, 1984) and the topic. Probing which S&P 500 category was most influenced by CSR helped advance the knowledge of the effectiveness of ST (Freeman, 1984) and TBL theory (Elkington, 1999).

Stakeholder Theory

Stakeholder theory (ST) (Freeman, 1984), as well as the triple bottom line framework (Elkington, 1999), provided the theoretical foundation for this study. Stakeholder theory has been identified as an all-encompassing term for the approach used by businesses and their stakeholders to recognize their responsibility and relationship to all stakeholders (Jones, Harrison, & Felps, 2018). Management literature from the Stanford Research Institute was created with the first publication of the term stakeholder in 1963 (Freeman, Harrison, Wicks, Parmar, & Colle, 2010; Lim, 2017). Freeman (1984) is credited with mainstreaming the theory with his book titled; *Strategic Management: A Stakeholder Approach*. Stakeholder theory examines a business's relationship with its communities, customers, employees, investors, and suppliers when operating in a market-based economy (Freeman, 2018).

When stakeholder theory (Freeman, 1984) was initially conceived, the organizational approach that many businesses were utilizing consisted of purchasing raw stock from a supplier, converting it into a product, and then selling it to customers (Freeman, 2010). U.S. business started to grow from more traditional farm-based operations that employed mostly family

members to large urbanized technological based businesses that hired mainly non-family members because of the increasing need for additional labor. As business increased in size and scope, managers needed to satisfy more than just the shareholders. Both shareholders and stakeholders started to demand more from the management of their companies. The emphasis of profit maximization was no longer the sole focus of companies (Meyer, 2015; Vashchenko, 2017). Individuals and groups of stockholders started to pool their influence to vote out senior managers who did not operate according to their views (Freeman, 2010). Global competition now provided stakeholders with a choice of products and broke the stranglehold domestic corporation had on the American public. Globalization, along with a decrease in American productivity, forced business to concentrate more on the needs and situations facing employees (Freeman, 2010).

To provide a more precise review of the recent evolution of stakeholder theory (Freeman, 1984), four key stakeholders were selected; communities and environments; customers, employees, and government. These stakeholders were classified using Rodriquez, Ricart, and Sanchez (2002) and Oladimeji et al. (2017) classifications. The classifications represent contractual and contextual stakeholders and were assigned based on relevance and importance to an organization. Stakeholders are vital for an organization to survive. Employees and shareholders were examined in this section. Contractual stakeholders gain relevance because of their business dealings with a firm. Customers were considered most important and were reviewed for this study. Contextual stakeholders represent the social aspect of a business and include government and the local community. These stakeholders are critical as they provide business with credibility (Oladimeji et al., 2017; Rodriquez et al., 2002). Each stakeholder was selected based on importance to the company and the progression in stakeholder theory

(Freeman, 1984). Each topic described below will examine new research within its selected stakeholder classification and provide evidence of how those advancements relate to the progress of stakeholder theory within an organization's CSR policy.

Stakeholder theory: Government. Stakeholders are the lifeblood of every business. Without stakeholders, there would be no customers, employees, or communities (Olsen, 2017). After reviewing the literature on ST (Freeman, 1984), a significant question was raised. Are all stakeholders created equal? Olsen (2017) researched how to prioritize stakeholders when government stakeholders have the power to affect the ability of that organization to conduct business. Because of these types of issues, there have been discussions on not only which stakeholder to prioritize but also what constitutes a stakeholder. These questions were examined by Hill and Jones (1992), Mitchell, Agle, and Wood (1997), and Starik, (1994). These researchers performed analyses hoping to address managerial concerns. Government, more than any other stakeholder, has the power to influence business using resource allocation, regulation, taxation, as well as monitoring and enforcement (Olsen, 2017). Olsen's research built on the studies conducted by Hill and Jones (1992); Mitchell et al. (1997); and Starik (1994) and provide evidence of the influence government has as a stakeholder. The research focused on government regulation and produced four contributions to the advancement of ST (Freeman, 1984).

The first advancement comprised of the role in constraining or enabling a managerial decision. The advancement was accomplished by stressing how governmental agencies decide on the merit of stakeholder legitimacy by limiting or expanding administrative decisions (Olsen, 2017). The second advancement connected the legitimacy of the stakeholders, managerial constraints, and government to ethics resulting from their corresponding industry (Olsen, 2017).

Microfinancing is linked to the third advancement. Microfinancing was developed to help the disadvantaged receive loans to start small businesses and help improve their financial position (FINCA, 2018). The third examined the microfinancing institutions and the assistance given to the vulnerable. Research found that microfinancing institutions were not forthcoming with their support to the poor and had not met their intended obligations (Olsen, 2017). Results of this conclusion draw a more precise picture of how government involvement in CSR related programs can affect stakeholders in vulnerable positions and by extension the programs that they fund (Al-Thaqeb, 2016; Olsen, 2017). Information (Igan & Mishra, 2014; Stanfield & Tumarkin, 2018) pointed to influences that political connection can have over a business's leadership when it is time to invest in agencies requested by a politician. With increased political power, organizations are in a better position to influence government officials to include favorable legislation in their bills (Heidelberg, 2017; Igan & Mishra, 2014). Igan and Mishra, (2014) cited support from previous research supporting the position between a firm's equity and its political connections. Results of Stanfield and Tumarkin's (2018) study found that there is a connection between government and a firm's CSR policy.

Influencers, such as union membership, can impact the relationship between business and government (Stanfield & Tumarkin, 2018). The state of the government finances was also questioned (Phillips & Strickland, 2016). A correlation was found to exist between government debt load and its wiliness to engage in isolation or in collaboration with others in environmental conservation programs (Phillips & Strickland, 2016). Research (Igan & Mishra, 2014; Olsen, 2017; Phillips & Strickland, 2016; Stanfield & Tumarkin, 2018) suggests that there is a correlation between political influence and their increased effect on organizational CSR policies.

The fourth advancement was the linking of market agents and the government through agonism (Olsen, 2017). Agonism recognizes that political conflict can interfere with business objectives. Political conflict viewed through agonism can help prepare managers for internal strife and assists them in finding moral legitimacy through the confrontation (Mouffe, 2009; Olsen, 2017). Parker and Parker (2017) proposed critical performativity to find common ground between antagonism and accommodation. Critical performativity does this by concentrating on engagement strategies utilized by managers. Parker and Parker (2017) determined that in the political arena there is no room for any compromise when either the organization or government participates in corrupt practices.

Stakeholder theory: Employees. The second primary stakeholder to be examined was the employee. Employees are the lifeblood of any corporation and are both directly and indirectly responsible for the products and services each organization produces. It was important to find out how CSR policies utilized within the employee's organizations conformed and evolved based on stakeholder theory. As a primary stakeholder, employees should receive the same considerations afforded to communities, government, and stockholders (El Akremi et al., 2018).

Recent research by El Akremi et al. (2018) examined the link between CSR, triple bottom line, and employee involvement within a firm's policies. Consideration was placed on how employees observe and respond to their employers use or lack of CSR. Previous research found that employees perceived perception of their employer's CSR policy contributed more to their performance than the company's actual policy (Glavas & Godwin, 2013; Rupp, Shao, Thornton, & Skarlicki, 2013). More recent studies by El Akremi et al. (2018) and Walden (2018) made advancements to both the original and later concepts of stakeholder theory (Freeman, 1984;

Glavas & Godwin, 2013; Rupp et al., 2013). One advancement arose by finding a more accurate way to measures employee perceptions of an organization's stakeholder theory within its CSR policy (El Akremi et al., 2018). El Akremi et al.'s (2018) scale was developed out of necessity as previous psychometric measurements were found to lack orderly multidimensional measurements. The newly formed range has proven to increase creditability and can be used to measure the success of stakeholder theory-based CSR policies (Akermi et al., 2018). This new measurement can be utilized by managers to determine the best response to their strategies for all stakeholders.

Employees are affected in many ways by the decisions of their employers. These decisions can affect an individual inside and outside of work. Recent studies by Ramaswamy and Ozcan (2016) and Walden (2018) examined how social media is contributing to the values discussed within stakeholder theory. Many companies encourage their employees to participate in social media and share their views of the organization (Rokka, Karlsson, & Tienari, 2014). The question of how much and when to engage employees on social media is a paradoxical issue found within stakeholder theory (Freeman, 1984). Businesses must balance communications, company engagement, and employee privacy (Walden, 2018). Firms have demonstrated their willingness to engage employees on social media because of the employees' aptitude to influence nonemployees' views both positively and negatively (Walden, 2018). With the goal of positively influencing public opinion through employees' social media, organizations must respect employees' boundaries during nonworking hours. Firms should practice casual observance and avoid surveillance of personal employee accounts. Full monitoring, as well as organizational pressure to post positive company-related messages, may force the employee to become disenfranchised and reduce productivity while on the job (Walden, 2018). This newly

conducted research on social media has evolved stakeholder theory (Freeman, 1984) and has incorporated it as a new platform.

Employee importance within the context of stakeholder theory (Freeman, 1984) extends beyond the scope of social media. Its influence is seen as essential to a firm's success (Coco, 2018). Employees are considered one of the vital stakeholders that can provide a competitive advantage to an organization (Coco, 2018). Organizations' ability to increase emphasis on employee engagement can lead to increased output and labor participation rates (Coco, 2018). Employees that have become invested within organizations' beliefs are more likely to learn and demonstrate procedures that can increase service. An increase in customer service can lead to increased customer approval and repeat sales, increasing the chances of improved organizational goodwill and sales (Coco, 2018).

Zou (2015) found that employees, operating as a stakeholder, often influence their firms to be accountable for their action regarding other stakeholders. Employee loyalty is also affected by stakeholder-based policies. A worker that feels valued is more likely to subscribe to organizational objectives and remain productive throughout employment (Coco, 2018; Dhanesh, 2017). Engagement contributes a role in increasing the probability of workers assisting their firms in establishing policies that are environmentally friendly. Personnel engaging in environmental based policies usually are influenced by two motivators: Governmental compliance and/or a firm's policy (Cantor et al., 2015).

Stakeholder theory: Communities and environment. The environment and communities a business operates in represent another area of review and advancements within stakeholder theory (Freeman, 1984). Concern for environment and community allow an organization the opportunity to increase goodwill and attract new customers. A firm must

encourage change to the mindset of its employees to ensure a successful policy. The worker mindset regarding these topics must change from a mandated to a voluntary view (Cantor et al., 2015). When a team member accepts and embraces responsible environmental behaviors, that individual is more likely to be willing to track and participate in activities that benefit the company both inside and outside of the working environment. Although the reward may not be tangible or extrinsic in nature, the employee may experience feelings of accomplishment and preservation (Cantor et al., 2015). The evolution of stakeholder theory regarding the environment and communities have grown exponentially.

Environmental issues facing both domestic and global business are well documented and discussed throughout the news and media outlets. Problems such as the reduction of natural resources, climate change, and pollution have given rise to increasing pressure for organizations to develop and implement CSR policies that focus on environmental responsibility (Çetinkaya et al., 2016). The firm's location can provide a starting point for an environmental laden CSR policy. Other stakeholders, such as employees, can become vital cogs in the implementation of the policy as it affects the place they and their families live (Çetinkaya et al., 2016; Welford, Chan, & Man, 2007). Çetinkaya et al. (2016) cited Spiller's (2000) research on environmental and community-based business' responsibility as a starting point for future research. Ideas identified for the advancement of community involvement were financial donations, education, and job training, volunteer programs, environmental performance reviews, and employee philanthropic ideas. Ideas identified for the advancement of the environment were: improved recycling, reuse, and reduction policies that improve waste management, public engagement and involvement, and supplier environmental responsibility requirements (Spiller, 2000).

Another area of community concern focused on potential employment opportunities. Taking advantage of ex-inmates was found to prove a profitable venture for business (Arumemi, 2016). The use of this type of labor provided both the community and industry with ways to better handle the stigma of how to best take care of those who have paid their debt to society. By employing the ex-inmates, a business could qualify for tax savings and acquires a worker who will be relatively low cost (Arumemi, 2016). The community gains by having a productive citizen who is contributing to rather than drawing from the tax base. Besides ex-inmates, the resident populations benefit by keeping most of salary income spent on local goods and services. Doing this causes a domino effect allowing other local businesses to prosper and hire others in the community and expand government initiatives (Al-Thaqeb, 2016).

Stakeholder theory: Customers. The goal of any organization is to secure revenue. A business cannot survive with losses greater than profits. For many years business operated under a classical operational view that emphasized profit and net income as their sole purpose (Branco & Rodrigues, 2007; Lantos, 2001). During this time producers made products with disregard to any adverse effects they might have on the environment and community (Branco & Rodrigues, 2007). Consumer preferences focused on availability and affordability (Lin, 2016). It was not until late 20th century that consumers' views started to change sufficiently that organizations began to listen. Clients started to demand more than just product reliability and price from organizations. Those clients also started to look for products and companies that were less damaging to the earth and community and mirrored their moral values (DeLong, 2016). Many businesses soon adapted to these changing demands realizing that in order to keep and improve their sales, they needed to bring their practices in line with consumer preferences (Branco & Rodrigues, 2007).

Businesses were tasked with identifying what CSR activities best fit within their organizational framework, production capabilities, and customer desires (DeLong, 2016; Smith & Langford, 2009). Building on previous work (Carroll & Shabana, 2010; DeLong, 2016), Peloza and Shang (2011) linked select organizational CSR activates to an increase in stakeholder satisfaction and retention. It was found that these CSR initiatives increased the probability of customer loyalty and reduced employee turnover by increasing stakeholder value. Finding the correct balance between CSR as a notion and how a CSR policy would best fit with business remains fluid. It was suggested by Alexander (2005) and DeLong (2016) that a triple bottom line approach, that brings together social, financial, and environmental reporting, provides the best guide to which methods are being used most effectively. CSR in this context provides the language and direction of corporate policy. Once implemented, a triple bottom line framework can provide transparency and act as a controlling guide for each company to follow (Alexander, 2005).

Customers and business have in the past decade started to shift their focus from primarily environmental concerns to general sustainability concerns. These concerns focus on human capital, social influence, and community (DeLong, 2016). With an increase in stakeholder pressure, some businesses are having difficulty incorporating sustainable actions and reposting within their organization. Limited support and instruction can hinder those businesses unfamiliar with CSR. Assimilation of a weakly defined CSR policy can cause a problem with execution, operational planning, and review of the chosen strategy (Maas & Reiners, 2015).

Triple Bottom Line

The concept behind the triple bottom line framework was introduced by Elkington (1999). By 1999 Elkington expanded the concept in his book, Cannibals with forks: The triple

bottom line of 21st-century business (John Elkington, 2014a). Elkington has dedicated his life in the pursuit of sustainability, conservation, and the general improvement of the environment. His research has helped the advancement of the theory of sustainability (John Elkington, 2014a). Sustainability is a significant component of, provides an evolution of, and has a direct correlation with the concepts put forth in Freeman's stakeholder theory.

Elkington's (1999) work has resulted in many honors lending credence within his research and theories. Among the many recognitions that were received included being called "a dean of the corporate responsibility movement for three decades" by BusinessWeek; '1000 Most Influential People' by The Evening standard; Fourth on the top 100 CSR leaders by a CSR international survey; 2010: American Society for Quality Spencer Hutchens, Jr. Medal for champions of quality and social responsibility; And '100 Global Sustain Ability Leaders for 2011' by ABC Carbon and the Sustain Ability Showcase Asia (John Elkington, 2014b).

Though Elkington has dedicated his life to the advancement of all levels of sustainability, conservation, and the environment, his recent research focused on his work with the triple bottom line approach. The first mentions of the concepts behind the triple bottom line framework were put forth by Spreckley (1981) in his book Social Audit: A Management Tool for Co-operative Working. Spreckley discussed the lack of alternate measurements needed to gauge business success. A requirement for environmental and social cost was determined to be desirable. These measures would help determine the effect on organizational stakeholders such as employees and the environment. Leaving out these criteria was labeled as portraying an incomplete picture of a corporation's health.

Building on Spreckley's (1981) ideas, Elkington wanted to design an approach that could be used to quantify the nonfinancial aspects of a business. The method chosen provided three

categories which would be equally valued. Along with the traditional economic approach utilized by organizations, environment, and social dimension were added to the equation. The initial theory suggested that TBL (Elkington, 1999) would benefit firms by increasing their competitive advantage (Hussain et al., 2018; Tate & Bals, 2018). The three were proposed to be interrelated, interdependent, and partly in conflict (Elkington, 1999). Seven dimensions were provided to help harmonize each of the three categories of TBL (Elkington, 1999). Markets, values, transparency, life-cycle technology, partnerships, time-perspective and corporate governance were all suggested to improve organizations and expand business thinking into a more progressive approach (Elkington, 1999). Capitalism as an economic system was initially questioned about whether it was compatible with the idea of TBL (Tate & Bals, 2018). Ultimately, Elkington found that stakeholders will act as a counterbalance to pure capitalism, and if customers demand social responsibility organizations will have no option but to honor their request (Elkington, 1999).

Seven dimensions were initially proposed by Elkington (1999) as a way for business to incorporate TBL. First was that market mechanisms should be the focus of business opposed to traditional command-and-control measures. Through use of technological invention, this action should assist in improving sustainability goals. Being a leader in this area was described as critical to take advantage of changing stakeholder requirements (Jeurissen, 2000; Tate & Bals, 2018). The next focused on a business's ability to create ethical and social value. Most companies focus is on economic value creation (Elkington, 1999). Elkington (1999) predicted that as societies progress, the organizations that have focused on ethical and social value will be in a better position to succeed. Transparency represents the third dimension and concentrates on an organization's ability to meet all three TBL (Elkington, 1999) directives. Comparisons with

competing businesses, along with increased government regulation would help drive an organization to better position themselves in all three categories. Long-term sustainability and performance are the focus of the fourth dimension. Business should work with stakeholders to advance the viability and efficiency of the product lifecycle (Elkington, 1999). The subsequent dimension suggests that a longer-term approach to sustainability is needed to ensure that each product, process, or service meets the businesses goals and TBL (Elkington, 1999) expectations. One of the most complex changes recommended is dimension seven. This dimension debates the traditional definition of ownership and assets rights within an organization. Corporate governance was looked at as the one dimension that would be most difficult to modify over the short-term requirements (Jeurissen, 2000).

Elkington (1999) found three critical societal changes needed to be made to achieve the seven recommended dimensions: favorable laws and enforcement; increased strength in financial institutions; and progressive governments that encourage increased conservation and environmental stewardship. Increasing environmental laws, along with the corresponding increased enforcement, could provide a greater incentive for business to adopt a TBL (Elkington, 1999) policy. Increased laws could also make explaining the increased cost of sustainability and environmental conservation easier for less understanding stockholders (Jeurissen, 2000). Stronger financial institutions can be in a stronger position to provide businesses seeking an investment with the funds necessary to pursue longer-term projects that become profitable later in their lifecycle (Jeurissen, 2000). Governments that see the value in policies that can help shape communities and preserve the environment for future enterprises, generations, and investment (Elkington, 1999).

Triple bottom line: Concept. Triple bottom line (TBL) (Elkington, 1999) builds of the concepts put forth in stakeholder theory and will be utilized to frame this study. TBL (Elkington, 1999) framework is made up of three sections that focus on alternate components of traditional businesses overall responsibility. Economic, social, and environmental elements need to be equally applied to a business's bottom line (Elkington, 1999). Each section of the framework is interrelated with each other and helps influence long-term prosperity (Tate & Bals, 2018; Żak, 2015). In the past centuries, businesses' primary concern has been for profit (Elkington, 1999; Spreckley, 1981). Organizations utilizing TBL should prosper and be in an optimal position to succeed in the 21st century and beyond (Elkington, 1999). Economic, social, and environmental components of TBL (Elkington, 1999) all influence the ideas behind CSR. As such, it is imperative to understand the evolution of each and how, when combined, they form the foundation of a CSR policy.

Triple bottom line: Economic. Of the three sections of TBL (Elkington, 1999), profit is the universal dimension for all organizations. The idea of an exchange for gain has been around since humans realized the importance of specializing in trade to receive the goods and services, they could not produce themselves (Das, 2016). Profit is required for an organization to grow (Das, 2016). Until recent decades, businesses have focused on profit maximization without the encumbrance of alternative societal activities. Child labor and disregard for the environment were considered prudent business choices to ensure maximum profitability (Arko-Achemfuor & Dzansi, 2015). Eren and Eker (2012) discovered that non-CSR conforming firms that only focus on profits are increasingly suffering from a disillusioned society and it is resulting in lower success rates. The way business has viewed profitability has evolved. Additional influencers to strict profit and profitability polices are now measured. Business examines how an image can

affect current and future market profitability. Attention is being given to stakeholder concerns and how they affect an organization's bottom line. Social factors such as employee working conditions, environmental conservation, and social presence are weighed for long-term customer retention and profitability (Arko-Achemfuor & Dzansi, 2015).

Triple bottom line: Social. Social and environmental components make up the final two sections of the TBL theory (Elkington, 1999). These sections are closely related but distinctly different. The social component focuses more on the stakeholders and their overall wants and needs. While the environmental component emphasizes short- and long-term responsibility to the earth and the stakeholder's environment. Because the affect business can have on the environment, and the amount of planning and resources needed to compile an effective plan, the environmental component is separated out from the social to provide it with sufficient emphasis.

The social component of TBL (Elkington, 1999) represents an organization's ability to ensure that it is a good corporate citizen and responsible to all stakeholders who depend upon it. There are many ways that the social component can be affected. One of the most prominent is that of downsizing to ensure that profit margins are met. Disputed measures of laying off employees can often lead to quality staff being terminated while less effective staff remains (Alexandra & Ion, 2014). Taking this action creates a two-stage problem for business. First, it reduces company morale which can reduce future output. Second, it can result in creative destruction where former employees are free to work with the competition to develop more advanced products and services that can reduce the original company's sales/profits (Jung, 2015). In a social framework, measures can be taken to ensure quality employees do not leave the organization. Promotion among those who have outgrown their current position because of

their continual increasing skills can be retained, thereby improving the organizational ability and reputation (Alexandra & Ion, 2014).

Amongst many other areas that fall into the social component, communication is increasingly becoming key in organizational success (Alexandra & Ion, 2014). Organizational theories such as Theory Y and Z put forth by McGregor and Cutcher-Gershenfeld (2008), and Ouchi (1993) respectively, showcased the effect employee empowerment can have on production. As previously described in detail, theory Y's contention that employees view work as part of their everyday life and prefer limited direction, helps to reinforce the idea for increased social governance in the workplace (McGregor & Cutcher-Gershenfeld, 2008). Increased attention to workplace conditions, employee scheduling, and benefits are starting to change the social environment within the workplace (Acquay, 2017). Outside of the workplace, corporate citizenship has evolved to include activities such as community outreach, sponsorships, and involvement (Coskun-Arslan, & Kisacik, 2017).

Triple bottom line: Environmental. The third component of TBL (Elkington, 1999) is represented by an environmental component or sustainability. Over the past two decades, society has increasingly demanded that organizations utilize a sustainable approach while conducting business (Arko-Achemfuor & Dzansi, 2015; Hourneaux Jr, da Silva Gabriel, & Gallardo-Vázquez, 2018). Sustainability is represented by many factors, not just concern for the environment. Corporate governance, shareholder value, community involvement, and corporate legacy (goodwill) are all viewed as drivers of a corporation's financial health (Arko-Achemfuor & Dzansi, 2015). Justifiable use of natural resources such as water, minerals, and land help develop a pattern of responsibility and lead to sustainable development. This type of growth

provides a balance between growth/development and financial profits (Dzansi, 2011; Hourneaux Jr. et al., 2018).

According to Maslow's (1943) Hierarchy of Needs, individuals will seek out physiological needs such as food, safety, and shelter before moving on to more advanced needs and wants. Moving up Maslow's (1943) pyramid, safety and belongingness layers begin to unfold. Within these layers, humans find the need for security, family, employment, friendship, and intimacy. These levels of needs have been found to correlate to the wants of sustainability and quality of life within one's surroundings (Alexandra & Ion, 2014). Businesses that are offering more sustainability are in better position to secure current and future revenue based on their long-term outcomes and regard for the environment.

Outside of the philosophic consumer views, other stakeholders such as employees can also benefit from environmental conservatism. Utilizing materials that are less harmful to the environment are also generally less toxic for workers (Alexandra & Ion, 2014; Yudhoyono, 2015). Increased exposure to chemicals can be linked to an increase in allergies and certain types of illness. Those who suffer do not agonize alone. Family members also must go through the daily regimen of medications and precautions to ensure their loved one is receiving the treatment they need to get better (Yudhoyono, 2015). Having employees or customers that are becoming ill will have negative long-term repercussions on a corporation's goodwill and can affect its bottom line. Many organizations have responded to concern from their stakeholders about their environmental impact by strengthening their CSR initiatives (Alexandra & Ion, 2014). The way businesses handle their ecological implications has evolved from a short-term, immediate impact philanthropic approach, to a method that blends short and long-term projects that address stakeholders environmental concern (Alexandra & Ion, 2014; Morgeson et al., 2013).

Stakeholder Theory Advancements

There has been extensive research that has expanded on both ST (Freeman, 1984; Freeman, & Dmytriyev, 2017) and TBL (Elkington, 1999). Recent studies by El Akremi et al. (2018); Hussain et al. (2018); Stanfield and Tumarkin, (2018); Lim (2017); and Olsen (2017) have advanced the principles of ST. Freeman's (1984) original idea of a business's relationship with its communities, customers, employees, investors, and suppliers when operating in a market-based economy has expanded in detail and practice. Rodriquez et al. (2002) and Oladimeji et al. (2017) classified four main categories for studying ST, communities and environments, customers, employees, and government.

Each category has had advancements reinforcing the premise behind ST (Freeman, 1984). Olsen's (2017) work advanced upon the evidence of the influence government has as on a stakeholder. Employee engagement within an organization was progressed by El Akremi et al. (2018) who discovered that there was a lack of constancy with how employees' perceptions were measured and the importance of a consistent, uniform measurement standard. Environment and communities have been heavily explored (Çetinkaya et al., 2016; Welford et al., 2007). Developments in these areas foster community involvement with financial donations, education, and job training, volunteer programs, environmental performance reviews, and employee philanthropic ideas. Taking advantage of community-based initiatives such as retraining and employing those previously incarcerated for nonviolent crimes would improve the community (Arumemi, 2016). Consumer preferences have evolved from primarily being environmentally focused on more general sustainability concerns. Concerns centered on human capital, social influence, and community, have shown how a corporate policy that addresses these concerns assists in retaining and attracting a client base (DeLong, 2016).

Triple Bottom Line Advancements

As with ST, TBL (Elkington, 1999) has evolved based on the numerous research studies conducted since its inception (Arko-Achemfuor & Dzansi, 2015; Hourneaux Jr. et al., 2018; Hussain et al., 2018; Tate & Bals, 2018; Żak, 2015). Evolution of TBL originated with Elkington (1999) himself. Elkington (1999) suggested that the three TBL categories; social, environmental, and economic, which were intended to benefit firms by increasing their competitive advantage, were to be interrelated, interdependent, and partly in conflict. Seven dimensions were offered to help better align each category. Elkington (1999) found that markets, values, transparency, life-cycle technology, partnerships, time-perspective, and corporate governance improved organizations and expanded business thinking towards a more progressive approach.

As with ST (Freeman, 1984), the three main sections of TBL (Elkington, 1999) were examined for advancements and their evolution. The economic component proved to be heavily studied. Arko-Achemfuor and Dzansi (2015) and Eren and Eker (2012) discovered that organizations focusing solely on profits were losing customers who have become more aware of the concept of corporate citizenship. This resulted in lower success rates amongst those types of organizations. Unlike the economic component, the social element of TBL (Elkington, 1999) focuses more on general stakeholders than stockholders. Corporate citizenship, such as community outreach, sponsorships, and involvement (Coskun-Arslan, & Kisacik, 2017), has been found to increase levels of consumer goodwill. This, along with the increased consideration to workplace conditions, employee scheduling, and benefits, are allowing for an improved environment within the workplace (Acquay, 2017). The environmental aspect of TBL (Elkington, 1999) has led to an increase in the responsible use of natural resources such as water, minerals, and land (Dzansi, 2011; Hourneaux Jr. et al., 2018). Promoting an environmentally

responsible company has led to better conditions in communities and increased goodwill (Hourneaux Jr. et al., 2018).

Current Contributions to Stakeholder and Triple Bottom Line Theory

Advancements in ST (Freeman, 1984) and TBL (Elkington, 1999) have been numerous as previously mentioned. This study will help forward the relevance of each by examining the relationship of organizational financial results against their use, or lack of use, of a CSR policy. To ensure consistency with previous studies (Anderson, 2019; Barney, 2018; Kruse, 2019; Lim, 2017; Stanley, 2011) CSRHub's ESG framework will be utilized. CSRHub's ESG index rating system consists of four primary categories: (a) community, (b) employee, (c) environment, (d) and governance (ESG, 2019). Each primary category is made up of three secondary categories for a total of twelve secondary categories. The secondary categories include: (a) community development and philanthropy, (b) product, (c) human rights and supply chain, (d) compensation and benefits (e) diversity and labor rights, (f) training, health, and safety, (g) energy and climate change (h) environmental policy and reporting, (i) resource management, (j) board, (k) leadership ethics, (l) transparency and reporting (ESG, 2019).

CSRHub's ESG index rating system consists of four primary categories: (a) community, (b) employee, (c) environment, (d) and governance, will act as the measurement tool in determining CSR rating (ESG, 2019). Keeping the measurement criteria consistent will help build on Lim (2017) and Stanley's (2011) previous work. Once each of the S&P 500 companies is examined and sorted into one of the eleven sectors, an analysis can be conducted to determine if a CSR policy affects financial performance in the same way. This research advanced the knowledge of ST (Freeman, 1984) and TBL (Elkington, 1999) by forwarding the understanding of how a CSR policy affects organizational profits.

Corporate Social Responsibility

Interpretation of corporate social responsibility (CSR) has historically involved an examination of the combined effects of policies, practices, and strategies designed to enhance the satisfaction of stakeholders. Typically, this is in relation to the simultaneous environmental and social benefits of a business (Mosca, Casalegno, & Civera, 2016). The concept of stakeholder theory (ST) (Freeman, 1984) continues to evolve and be debated (Hou, 2018; Jones et al., 2018; Mosca et al., 2016; Oladimeji et al., 2017). Researchers have found that a firm will be more successful when it improves its relationship with stakeholders (Barnett & Salomon, 2012; Oladimeji et al., 2017; Rodriquez et al., 2002). Initial blending of CSR and ST was discussed within the context of achievable CSR policies that contributed to direct profit (Freeman, 1984). This definition started to evolve following a study that supported the idea that CSR should expand economic, legal, and technical requirements of a company (Davis, 1973). This expansion to the theory suggested that even if a company does not experience immediate, measurable profitable gains, the goodwill created by these policies will ultimately contribute to long term profits. Davis' (1973) suggestions placed the concept behind CSR in opposite directions. Freeman's (1984) view emphasized the commitment to shareholders as well as social responsibility to boost immediate profits. Davis (1973) argued that shareholders were one of many stakeholders that needed to be considered when implementing a CSR policy. CSR has continued to evolve over the past decades. Integrated within CSR are many different trends and theories. Ethics, sustainable development and growth, and values combine with stakeholder theory (Freeman, 1984) to form a firm's cohesive CSR policy (Mosca et al., 2016). Changes in globalization and stakeholders' views towards social responsibility have motivated organizations to develop and implement more robust CSR based policies (Brondoni, 2014; Mosca et al., 2016).

As with stakeholder theory (Freeman, 1984), corporate social responsibility (CSR) continues to be debated (Galant & Cadez, 2017). An accord on a true definition of CSR remains elusive (Dahlsrud, 2008; Mosca et al., 2016; Visser, 2012). Differing interpretations of many aspects of CSR, including its constructs, dimensions, and principles, exist (Crane, McWilliams, Matten, Moon, & Siegel, 2008; Galant & Cadez, 2017). The current body of literature refers to over 37 different definitions for CSR (Dahlsrud, 2008; Galant & Cadez, 2017; Roszkowska-Menkes, 2016. These CSR definitions varied in dimensions, but five prominent concepts emerged: (a) Economic, (b) Environmental, (c) Social, (d) Stakeholders, and (e) Voluntariness (Roszkowska-Menkes, 2016). Based on Roszkowska-Menkes (2016) findings, the economic dimension focused on describing CSR with a focus on the socio-economic aspects of the business operations. The social dimension examines the association between business and the community. The environmental dimension focused on any issue facing the natural environment, while the voluntariness dimension examined acts taken by a business and its associates that are not required by law. The stakeholders dimension focused on the responsibility each firm has to any group affected by that business.

There have been many interpretations of CSR with no definitive definition emerging. Roszkowska-Menkes (2016) found that CSR distracts from a firm's primary focus of profits. Researchers (Hur, Kim, & Woo, 2014; Mosca et al., 2016; Singh, 2016), found some businesses view CSR as an extension of their goal of increasing profits. Any CSR initiative must be purposeful and have a direct impact on a business's competitive advantage as well as its short- and long-term finances. This idea of CSR supports Freeman's (2010) original definition of ST. de Colle, Henriques, and Sarasvathy (2014) criticized this type of CSR planning as being achievement based and lacking innovation. Other researchers (Jamali & Mirshak, 2007; Mosca et

al., 2016; Rudolph, 2005) suggested that some businesses' CSR policies focused on pushing social change and development while improving the world. This type of CSR policy would represent the opposite end of the CSR ideal spectrum. Firms would concentrate on enhancing society with less regard to overall profit output. Ideally, a CSR balance would include businesses becoming economic and social partners with stakeholders while adapting these core competencies into their everyday business model (Crane, Palazzo, Spence, & Matten, 2014; Freeman et al., 2010; Visser, 2012). Freeman et al. (2010) described this as an integration of environmental, ethical, and social criteria infused into corporate strategy.

Corporate social responsibility: Adaptive vs. integrated. At its core, CSR is a multidimensional concept that continues to be evolutionary (Krunic, 2017). Corporate social responsibility suffers from residual logic as its approach to the combination of profit and stakeholder responsibility seems at odds (Freeman, 2010). Visser (2012) criticized this approach to CSR as not fulfilling its described purpose. Modern marginal CSR, titled CSR 1.0, compared systemic corporate sustainability and responsibility titled CSR 2.0 (Visser, 2012). CSR 1.0 was defined as being on the fringe of a firm's primary policy. This type of CSR policy is implemented incrementally based on quality but lacks the urgency of both environmental and social issues. Financial measurement is difficult to measure in the short term, and there is little conclusive evidence that the market would reward these efforts (Visser, 2012). CSR 1.0 (Visser, 2012) tied social responsibility to a residual effect for both company and stakeholders. This form of CSR had a cause and effect relationship.

To adapt to the shortcoming present in CSR 1.0, Visser (2012) suggested an alternative approach to CSR 1.0, which was titled CSR 2.0. CSR 2.0 focused on using a complete business policy that had CSR initiatives intertwined throughout. CSR 2.0 allowed for a business model

that would better promote positive societal changes through the integration of policies (Visser, 2012). The collaboration between stakeholders and business would foster success and result in increased performance and gains by market incentive systems (Visser, 2012). Intertwining CSR with other business-related policies from inception could help companies of all sizes reap the rewards of increased stakeholders' patronage and participation. All businesses regardless of their size, policies, and responsibilities, must place stakeholder relationships in the forefront and allow for greater collaboration (Crane et al., 2014; Freeman & Velamuri, 2006). Evolution of CSR has continued and has led to new observed evidence (Casalegno & Civera, 2016; Mosca, et al., 2016; Mosca et al., 2016). Three main dimensions have been suggested as a result of both residual and integrated evidence (a) integrated output; (b) standards, norms, and labels; and (c) strategic philanthropy (Mosca et al., 2016).

The first dimension of integrated output has shown the most proliferation in CSR over the past decades. Businesses have progressed in integrating many social and ethical morals into their mission and vision statements (Mosca et al., 2016). This incorporation into mission and vision statements have set the stage for additional inclusion into many policies and processes. Examples of these integrations include increases in zero-waste recycling, increased collaboration to improve supply chain value, and stakeholder engagement. Integrating output has assisted in bringing increased meaning and value to both the company and its stakeholders (Mosca et al., 2016).

The second dimension of standards, norms, and labels are associated with the economic, environmental, and social aspect of CSR. Firm based certifications such as ASME (public safety and quality), ISO (environmental and quality), AASCB (education), and NEBB (building and systems) focus improved stakeholder service and quality of service. Most certifications are not

mandatory but assist in differentiating a company's offerings from the competition. Stakeholders have come to expect these types of qualifications as certifications and standard throughout each industry. These policies will continue to be a residual tool rather than a reposition of a CSR business model when standards, norms, and labels are adopted as a stand-alone approach and not integrated wholly into a business's policy (Mosca et al., 2016).

The last dimension is a departure from the traditional CRE 1.0 (Visser, 2012) concept. Philanthropic giving traditionally has taken a strategic approach and has been a way to increase goodwill while taking advantage of benefits such as favorable taxation (Barney, 2018; et al., 2016). Philanthropic support can take many forms. Company branding, sponsorships, and employee giving represent common ways businesses back charitable giving. Focusing these efforts around the core competencies of an organization helps in developing a more integrated and strategic form of giving (Mosca et al., 2016). Organizations focusing on areas of need or concern within their industry may elevate the level of stakeholder goodwill (Mosca et al., 2016).

Integration of a CSR policy opposed to the residual adaptation can pose a challenge to business (Brondoni, 2014; Mosca et al., 2016). Building partnerships using a multi-stakeholder approach requires much collaboration and a forward thinking. This type of policy may be effective for companies of all sizes. Younger businesses adopting these ideals can better position themselves in terms of CSR relevancy and integration as they grow. Mosca et al., (2016) suggested that CSR is no longer just a management initiative. It now requires a transparent approach that is supported by all levels of employees to be successful. Discussion with all shareholder will help in creating a balanced CSR policy that can support each group fairly (Visser, 2012). Increased stakeholder consumerism may lead to increased sales and a more favorable view of the overall business.

Corporate social responsibility: Future advancement. Corporate social responsibility continues to evolve. Research (Ağan, Kuzey, Acar, & Açıkgöz, 2016; Dahlsrud, 2008; Krunic, 2017; Mosca et al., 2016; Visser, 2012); has advanced the understanding of how a successful CSR policy should look. Stakeholder theory (ST) (Freeman, 1984) has been recognized as the most common theory framing CSR (Roszkowska-Menkes, 2016). ST can be used to identify precise stakeholder groups can positively benefit an organization (Roszkowska-Menkes, 2016). Continues engagement and dialog will allow firms to continue to comprehend and incorporate feedback within an ever-evolving CSR policy. The information gleaned from these conversations can be used to further evolve CSR integration by strengthening all relevant operational areas (Greenwood, 2007).

Standardization has remained elusive despite several attempts to define CSR effectively. One positive development has been the introduction of the International Organizations of Standardization's (ISO) 26000 initiative (ISO 26000, 2017). ISO developed this initiative in 2010 after five of discussion between various stakeholder located throughout the globe (ISO 26000, 2017). An international consensus was achieved by working with consumer groups, governments, labor unions, and non-profit organizations (ISO 26000, 2017). Over 500 multifaceted professionals assisted in developing ISO 26000. A communications protocol standardized CSR wording to help increase the transfer of information between firm and stakeholder. Though created in 2010, ISO 26000 guidelines are linked to the UN Agenda 2030, which lays out sustainable development goals (ISO 26000, 2017). Unlike many other ISO certifications, ISO 26000 offers guidelines other than requirements. Because of this distinction, ISO 26000's purpose is to guide and clarify CSR to all organizations and their stakeholders (ISO 26000, 2017). Adoption of the ISO 26000 has steadily increased and is recognized as the most

adaptive definition by many CSR users (Roszkowska-Menkes, 2016). Though ISO definition has become increasingly popular, inconsistencies remain regarding institutional approaches (Roszkowska-Menkes, 2016).

Corporate social responsibility: Relationships and measure of study. The topic of CSR influence on financial performance is not new. There have been several recent studies that have examined the effect of CSR on corporate financial performance (Ağan et al., 2016; Galant & Cadez, 2017; Hourneaux et al., 2018; Kim et al., 2018; Krunic, 2017; Lim, 2017; Martínez-Ferrero et al., 2014). Though other exploration exists on the topic of CSR, the research chosen for this literature review is more specialized and better related to the effects of debts on profits within CSR. Results from the studies have been mixed. Galant and Cadez (2017) found no correlation between CSR and corporate profits, while Lim (2017) identified a positive relationship. Other studies by Kim et al. (2018) produced mixed results. These conclusions reinforce earlier findings that suggested that business profit may or may not be affected by corporate social responsibility.

Examination of the research criteria and methods are needed to better understand why results from many different analyses have been mixed. Many different categories of measurement have been studied concerning CSR and a firm's finances. To better understand the measures in each category, CSR and firms' financial performance will be inspected separately. The primary source of CSR information is the indexes (Galant & Cadez, 2017). Index-based analysis has both advantages and disadvantages. One advantage of using indexes is the availability and comparability of standardized information and measures. Data retrieved from indexes such as CSRHub ESG and Dow Jones Sustainability Index series (DJSI) provide vast data that allows for easy comparison amongst funds (ESG, 2019; Galant & Cadez, 2017). This

type of commonly used information comes with its deficiencies. Most pressing are the indexes' inability to cover all market size and industry firms. These shortcomings make researching small to mid-size firms difficult using this method.

Most indexes fail to utilize a scientific basis when rating their securities. One popular method of the rating agencies is to place the securities in an order or grouping. The DJSI uses a compiling of three categories that include environmental, governance, and social (S&P ESG, 2019). A total of 21 industry-specific scores are weighted to help reduce the research bias of the companies who self-report using the DJSI's Corporate Sustainability Assessment (CSA) versus being graded on publicly available information (S&P ESG, 2019). Graafland, Eijffinger, and SmidJohan (2004) found that many CSR rating firms are private businesses that follow their own agenda and may not utilize in-depth scientific research.

An alternate research measurement used to quantify CSR is content analysis (Galant & Cadez, 2017). Concepts about organizational information are determined based on the relevancy of a study and then placed into quantitative scales and used for statistical examination. The primary method used for coding was binary coding (Aras, Aybars, & Kutlu, 2010; Galant & Cadez, 2017). This method of quantitative coding relies on a score of 0 and 1 to account for various primary conditions. When more complex situations occur where multiple or a more multifaceted coding is required, a binary rating can be allocated to variable and then interspersed for a collective analysis (Aras et al., 2010; Galant & Cadez, 2017; Park, 2018). Likert scales have also been used when assessing multiple dimension based measurables. Use of a binary-based scale can be traced back to Abbott and Monsen (1979). Abbott and Monsen (1979) utilized over 20 indicators for CSR over six groups. Though not as common as indices-based coding, binary constructed studies focusing on CSR are present. Recent studies using binary-based

coding included: Chen, Feldmann, and Tang (2015); George, (2016); Karagiorgos (2010); Park, (2018); Yang, Lin, and Chang (2009). Many advantages for binary coding exist. Primary data collection allows for less error when measuring and reporting results. A fundamental weakness for binary coding results from the researcher subjectivity (Galant & Cadez, 2017). The selection of what measures the researcher reports can be skewed in favor of that researchers' biases.

A sampling-based approach represents another alternative for CSR research. Sampling is typically completed using questionnaire-based surveys and done when no other form of data rating is available (Galant & Cadez, 2017). Sampling-based CSR research that focused on financial performance has been conducted as early as the late 1970s (Galant & Cadez, 2017). Examinations by Carroll (1979) and Aupperle, Carroll, and Hatfield (1985) represent some of the earliest qualitative survey-based CSR studies. These studies utilized scales that allowed respondents to quantify their answers using a sliding scale such as 0 – 5. With 0 being lowest and 5 being highest. Using qualitative based scales allows the researcher greater flexibility when stipulating areas of interest and gathering useful data (Galant & Cadez, 2017). As with binary coding, surveys present a limitation in terms of research bias. Cadez and Czerny (2016) found that both selection bias occurs because of the voluntary nature of respondents. Socially responsive respondent companies are more likely to reply to a survey than those firms who do not (Cadez & Czerny, 2016). Collecting responses from stakeholders was suggested by Epstein and Rejc-Buhovac (2014) to mitigate this type of bias.

The last common measure of study for examining the effects on profit from a CSR policy is narrow constructed research. One-dimensional concepts explore one area of CSR. Researchers using this measure focus solely on one aspect of CSR such as: pollution control (Cadez & Czerny, 2016; Mokhtar, Jusoh, & Zulkifli, 2016; Naranjo-Gil, 2016); public based activities

(Naranjo-Gil, Sánchez-Expósito, & Gómez-Ruiz, 2016); environmental management (Mokhtar et al., 2016). Those utilizing one-dimensional measurement have an easier time with both collecting and associating data (Galant & Cadez, 2017). Single dimension research has proven challenging because CSR by nature is multidimensional. By reporting just one area of CSR, a company may look as if they are fully complying with a total CSR program (Galant & Cadez, 2017). However, other CSR aspects may be lacking or neglected. A complete examination of the whole CSR policy may help in eliminating businesses with singular CSR objectives that could provide a misrepresentation of the data.

Corporate Profit Measurement Types

Researchers (Austin, 1994; Daniel, 2018; Galant & Cadez, 2017) have commonly utilized two primary types of financial indicators when examining organizational profits. Both accounting and market-based indicators have been used to determine the effects CSR has contributed to firm profits. As with most measures, both accounting and market-based indicators have traits that can be negative and positive (Table 4).

Accounting based measures include return on assets (ROA), return on equity (ROE), return on capital (ROC), return on capital employed (ROCE), return on sales (ROS), net operating income (NOI), and net income. Each indicator has been used to measure value within a business (Galant & Cadez, 2017). Accounting based measures are readily available for all incorporated businesses and are available on their EDGAR filed 10k reports (EDGAR, 2019). Because each American company is required to register a 10k report each year, all information is available and readily comparable (EDGAR, 2019). A disadvantage facing accounting-based research focuses on the timeliness of the information. 10k reports are compiled using the previous year's data causing a lag in real-time data. On its own, each accounting-based indicator

does not wholly consider the entirety of any one company financial data (Galant & Cadez, 2017). Indicators such as ROA in isolation may be regarded as biased because assets' value may differ by classification industry (Galant & Cadez, 2017).

Market-based measures include stock return changes, a firm's market value, stock returns, turnover ratio, and market capitalization as a share of GDP (Demirguc-Kunt & Levine, 1999; Galant & Cadez, 2017). Market-based measures have the advantage of being synchronous and represent as close to real-time as possible and provides researchers with the most up to date information possible (Galant & Cadez, 2017). Current information can provide the best and most accurate data for decision-making purposes. Limitations present themselves when using market-based measures to research private organizations. Publicly traded organizations with public information are the only businesses that can be easily measured using the previously mentioned ratios. Other issues with market-based measurement are that they are subject to non-firm related economic conditions such as recessions. Downward or upward pressure on capital markets may influence the results for each market-based measure.

Table 4

CSR & Financial Measurement Type: Advantages vs. Disadvantages

Measurement Type	Advantage	Disadvantage
Financial Performance		
Accounting indicators	Public corporation availability	Lack of current information
Market indicators	Most current financial data	Lack of data for small or private firms
Corporate Social Responsibility		
Content	Data elasticity	Researcher bias
Indexes	Data accessibility and compatibility	Lack of scientific basis for security rating
Sampling – Qualitative	Reduced research error when measuring and reporting results	Researcher bias and potential miscalculation

Single dimension analysis	Collecting and associating data	Narrow scope of data

Note. Summary of information found within Chapter 2: Literature Review: Corporate Social Responsibility – Adaptive vs. Integrated and Corporate Social Responsibility – Future Advancement

To overcome the issue of accounting versus market-based measurement, recent investigations (Cadez & Czerny, 2016; Daniel, 2018; Rodgers, Choy, & Guiral, 2013), have utilized more than one measure to observe the effect of firm financial performance related to CSR (Galant & Cadez, 2017). Combined attempts at measurement by researcher like Daniel, (2018); Garcia-Castro, Ariño, and Canela, (2010); and Rodgers et al. (2013), have led to indicators such as Tobin's Q or the market value-added approach. More common have been efforts to combine both accounting and market-based measurement to form a comprehensive plan. Many studies, such as those by Peng and Yang (2014) and Rodgers et al. (2013), have merged these indicators to understand the results of CSR on firm performance better.

Corporate Financial Performance

Short- and long-term profit in conjunction with debt to equity were found to be one of the under-examined aspects of research concerning CSRs effects on organizational profit. How debt levels influence both short and longer-term profit also contains a deficiency of information. Though recent studies by Benlemlih (2017); Branzei, Frooman, McKnight, and Zietsma (2018); Chalmers and van den Broek (2019); Harjoto (2017); Hsu and Liu (2017); La Rosa, Liberatore, Mazzi, and Terzani (2018); Limkriangkrai, Koh, and Durand (2017); and Villarón-Peramato, García-Sánchez, and Martínez-Ferrero (2018), all examined the concept of debt, none have observed the effects of short term, long term, and current profit levels in relation to debt to equity. Previous research that examined debt focused on areas such as leverage and financing

(Harjoto, 2017; La Rosa et al., 2018), bond rating and economic volatility (Branzei et al., 2018; Chalmers & van den Broek, (2019), debt maturity (Benlemlih, 2017).

The economic environment consists of economic forces outside of any business's control (United States, 2019). Occurrences such as recession, natural disasters, and fluctuating currency values can cause business debt and profits to shift and become unstable (United States, 2019). Chalmers and van den Broek (2019) examined the effect on the economy in the wake of the 2007–2009 global recession. The research focused on the public's perception of different industries, primarily financial. It was found that firms that had greater public exposure received the most scrutiny as it related to their CSR policies (Chalmers & van den Broek, 2019). Externalities were cited as not only impacting a company's profits but also increasing a business's public image. Increasing a firm's negative public image caused a cumulative effect on profits (Chalmers & van den Broek, 2019). The result of Chalmers and van den Broek, (2019) research supported the hypothesis that the public's perception of a firm that reports a comprehensive CSR policy receives more financial volatility and scrutiny during times of economic-based events.

In addition to Chalmers and van den Broek's (2019) work that focused on the external environment, Hsu and Liu (2017) also examined a phenomenon outside of business controls: quantitative easing. Quantitative easing is described as when the United States Federal Reserve reduces the cost of servicing corporate debt, allowing companies to increase borrowing (Hsu & Liu, 2017). Chalmers and van den Broek's (2019) research examined the U.S. quantitative easing policy following the 2007 recession. Indices from KLD (MSCI) and Moddy's were used to calculate default risks. The analysis found that during times of quantitative easing, organizational default risk was under calculated. This result was attributed to the reduction of long-term bond

yields lower bond risk and values (Hsu & Liu, 2017). Hsu and Liu (2017) found that businesses with higher CSR policies had lower default risk.

Other works (Harjoto, 2017; Limkriangkrai et al., 2017) have also focused on the effects of debt on leverage. Limkriangkrai et al. (2017) utilized an indices approach with an examination of CSR based on an environmental, social, government (ESG) platform. This examination utilized Australian based companies. Each company was assigned a Likert scale number based on the level of ESG. Results from Limkriangkrai et al.'s (2017) study found that there was no risk-adjusted cost when utilizing an ESG policy with higher-rated ESG rated firm hold an increased amount of debt. Harjoto (2017) took a different approach and examined the degree of operating leverage (DOL) and financial leverage (DFL). An indices approach was taken using an ESG database to gather organizational ratings. Earnings before interest and taxes (EBIT), earnings after interest, and taxes (EAIT) were used to measure debt against the ESG ratings (Harjoto, 2017). Results of the study also found that a CSR policy increased operating cost and operational leverage.

Research by Villarón-Peramato et al. (2018) represents one of the more recent studies that focused on debt as it relates to profit within a CSR policy. Villarón-Peramato et al. (2018) built on earlier research claiming that leverage was influenced by country and industry type. The market leverage ratio was used in Villarón-Peramato et al.'s (2018) study to examine long term debt and capture leverage within an organization. They captured equity by combining the market value of common stock and book value of preferred shared (Villarón-Peramato et al., 2018). Other factors controlled within their study included size, growth, return on assets (ROA) and the use of 1916 businesses from 22 European countries between 2002 and 2010 ("Debt, strategy and CSR", 2018; Villarón-Peramato et al., 2018). Finding from Villarón-Peramato et al. (2018) study

resulted in a positive benefit for firms when used ethically. A reduction in risk and a lower cost of capital was also observed (“Debt, strategy and CSR”, 2018).

Measurement Conclusion

Measurement type focusing on CSR effects on corporate profit have proved decisive. CSR effects on profit have been studied in various ways (Ağan et al., 2016; Daniel, 2018; George, 2016; Hourneaux et al., 2018; Kim et al., 2018; Krunic, 2017; Lim, 2017; Martínez-Ferrero et al., 2014; Park, 2018). Content, indexes, sampling, and singular dimension analysis have proven to be the most common approach used when determining a firm’s CSR. These measures are commonly based on their availability, elasticity, and compatibility. Previous researchers have selected the CSR measure based on which fits the principle goal of their study. This conventional approach has led to the discrepancy in findings (Villarón-Peramato et al., 2018). It does, however, leave open the possibility for future studies (Lim, 2017). An area that was discovered to be limited in research content was the relationship between CSR influence on corporate financials as they related to the U.S. S&P 500 sectors when measured using debt to equity (D/E), net profit margin (NPM), and return on assets (ROA). Debt level, short-term profit and long-term profit will be represented by three accounting – index-based indicators; debt to equity (D/E), net profit margin (NPM), and return on assets (ROA).

Earlier researchers (Chang, Kim, & Li, 2014; Lim, 2017) emphasized ROA for their primary measure. The current study will utilize ROA, D/E, and NPM for a complete analysis of the effect debt has on a firm’s profit when sustaining a CSR policy. Debt to equity ratio allows for longer-term debt (1 year or longer) to be studied in relation to ROA. Debt to equity ratio helps to determine whether the business is financing spending using debt or other financial measures. The level of debt will directly influence ROA. Return on assets have been used in

many studies (Lim, 2017; Nega, 2017). Return on assets reports how effective an organization has been profiting from its assets. The current study will incorporate ROA to connect debt throughout a firm's analysis. The final measure will be NPM. Net profit margin allows the researcher to determine how much profit is made on average from all sources of sales. Because the profit determined from this ratio is based on current sales, a short-term profit/debt analysis can be determined. Together D/E, ROA, and NPM may provide a total picture of the effects of debt on a company's finances and, as an extension, the financial implications of its CSR policy.

Each of the three variables, D/E, ROA, and NPM, represent accounting indicators that are found and can be calculated using a corporate 10k report. These accounting-based measures were chosen over the other types because of their reliability in reporting and ease of access. Each publicly traded company must file an end of year financial report to the Securities and Exchange Commission. All information must be accurate, or a firm may face penalties such as fines and those certifying the accuracy of the report, prison (d, 2019). Compiling a picture of company shot and long-term profit and debt and examining them against the four ESG categories found in CSRHub's ESG index may provide a more advanced understanding of CSR influence on a firm's financial performance. Reputation indices were determined to be the best fit for measuring CSR in this study. CSRHub has a premium reputation as a leading investment rating agency. CSRHub provides data gathered from over 605 sources across 134 industries. They utilize many CSR indexes, including Dow Jones Sustainability Indexes, Ideal Ratings, ISS, MSCI, TRUCost, and Vegio Eiris to compile an aggerate index ratings. Both industry experts and academics utilize CSRHub (ESG, 2019).

Conclusion

Review of current literature that focused on both stakeholder theory (Freeman, 1984) and triple bottom line framework (Elkington, 1999) as it relates to corporate social responsibility led to the discovery that CSR effects on finical performance as it relates to each S&P 500 sector has been sparsely explored. The evolution of ST (Freeman, 1984) has led to the development of many critical additions to the theory such as the importance of each type of stakeholder (Olsen, 2017); the inclusion of social media (Coco, 2018); and the affect environmental policies have on organizational goodwill (Çetinkaya et al., 2016; Spiller, 2000). Triple bottom line has also evolved since its inception. Concepts in TBL (Elkington, 1999) such as increased competitive advantage (Hussain et al., 2018; Tate & Bals, 2018); reduction of pollution and the reduction of child labor increasing organizational goodwill (Arko-Achemfuor, & Dzansi, 2015); and societies increasing demand that organizations utilize sustainable practices (Arko-Achemfuor & Dzansi, 2015; Hourneaux Jr. et al., 2018) have all advanced this framework. Other areas such as government influence as a stakeholder and the effect that a corporate CSR policy has on profitability as it relates to each sector of the S&P 500 remain lightly examined.

This study built on previous studies produced by Lim (2017); Stanley (2011) and Villarón-Peramato et al. (2018). The research focused on explaining how corporations that emphasize a CSR policy compare financially to those who do not have a specific CSR mission when accounting for debt. The specific problem is a lack of understanding of the financial impact of debt on a CSR participating and non-CSR participating U.S. based companies listed throughout all sectors of the S&P 500 index. This study provided additional financial performance information to managers on the effects of their CSR polices within each industry

sector. Information gleaned from this study helped to advance and expand the knowledge that forms CSR, ST (Freeman, 1984) and TBL (Elkington, 1999).

Chapter 3: Research Method

This study utilized a quantitative multiple regression-based approach to examine what relationship existed between an organization's corporate social responsibility policy (CSR) and its financial performance. The research assessed the strength of any correlation linking the concepts of ST (Freeman, 1984) with a corporation's financial performance. The idea of CSR has gained traction throughout the past decades (Blomgren, 2011; Goering, 2014). Businesses investing in a CSR policy have better positioned themselves to take advantage of stakeholders' increasing demands for those initiatives (Blomgren, 2011; Goering, 2014).

To examine this concept, this study built on previous works by Lim (2017) and Stanley (2011). An updated and expanded firm selection criteria was used to further those previous studies. The relationship between CSR and multiple dependent variables was examined. Each criterion was selected as it provided a view into the financial health of a company both long and short term. Previous studies (Lim, 2017; Stanley, 2011) made assumptions that return on assets (ROA) would be sufficient in determining a company's financial performance. Adding debt to equity (D/E) and net profit margin (NPM) provided an increased breadth of financial data. Comparison of each S&P sector expanded the study and helped to determine the relationship between a CSR policy and the financial impact on any of the eleven S&P 500 sectors. This chapter was used to discuss the research methodology and how it is incorporated into the design of this study.

Research Design and Rationale

This study examined CSR and a firm's financial performance based on the 2018 calendar year. Data were collected from a sampling of all 500 firms found in the 2018 S&P 500 database. Based on the research question proposed in this study, a postpositivist methodological

quantitative approach was utilized. Several multiple regression analyses were used to examine the relationship between the independent and dependent variables. Four categories were used and made up the independent variables (a) community, (b) employee, (c) environment, (d) and governance. Each category was examined and used to determine companies' CSR score based on CSRHub's ESG ratings. Three dependent variables were represented: Short- and long-term profit and debt to equity. The three categories that made up these terms were: Debt to equity ratio (D/E) which focused on debt and debt financing; Net profit margin (NPM) which examined profit and profit on sales or short-term profit; Return on assets (ROA) which examined gross margin and will be utilized to determine an organization's finical effectiveness or long-term profit (Bramble, 2016).

Measurement of companies' CSR initiatives were made by calculating each independent variable category (a) community, (b) employee, (c) environment, (d) and governance. Debt to equity, NPM, and ROA formed the dependent variables. Each dependent variable was analyzed in conjunction with the aggregated independent variables to determine the extent of any relationship. All results were then clustered into each of the eleven S&P 500 sectors (a) energy, (b) materials, (c) industrials, (d) consumer discretionary, (e) consumer staples, (f) healthcare, (g) financials, (h) information technology, (i) telecommunication services, (j) utilities, and (k) real estate for overall comparison using descriptive statistics (Table A1 – A11). Control for this study focused on the common variables recognized in earlier research (a) debts, (b) firm size, and (c) industry (Chang, Kim, & Li, 2014; Lim, 2017). Controlling for these common variables reinforced the association between CSR, an organization's financial performance, and strengthens the internal validity of the study.

Unlike previous studies which reduced industry effects by listing industry categories, this research provided a more comprehensive analysis by increasing the number of dependent variables to include P/E, NPM, and ROA and placing these results within contingency tables (Table A1 – A11). By taking these actions, a more concise analysis was provided. Displaying industry in a contingency table allowed for each section to be viewed independently to determine if any sector had a greater impact on the analysis results. Lash, Fox, Cooney, Lu, and Forshee (2016) found that regular research bias can arise and cause errors when not correctly measured. Lash et al. (2016) conferred how it is critical for a researcher to develop a consistent analytic method to precisely quantify all measurements.

Firm size was based on all 500 firms found on the S&P 500 index. This number was reduced to 262 firms after completing sampling using the G* Power tool developed by Faul, Erdfelder, Buchner, and Lang (2009) and published by the Heinrich Heine University of Düsseldorf (Table 5). Firm selection was controlled by utilizing methods adopted in previous studies (Chang et al., 2014; Lim, 2017). Starting with 500 organizations listed in the S&P 500 allowed for examination of comparative size firms and allowed for a more extensive sampling then those previous studies. All firms examined were considered mega cap with a market value over 200 billion dollars, or large-cap stocks with a market value between 10 to 199 billion dollars (Collver, 2014). Having a large sample size will alleviate firm effect and eliminates the need to control for this variable.

To control for financial performance, three dependent variables were applied. D/E, NPM, and ROA assisted in measuring any relationship between CSR and the debt and profitability of a company. By utilizing all three of these measures (D/E, NPM, and ROA), the research provided increased measurable information that can now be used by businesses to make a more informed

decision on whether to implement a CSR policy. This type of control differs from previous research (Chang et al., 2014; Lim, 2017) as others have focused solely on ROA. Adding both D/E and NPM helped separate return on assets at multiple levels. This study has adopted multiple regression analysis to expand on previous research (Lim, 2017; Stanley, 2011) focusing on the relationship between CSR and a firm's financial performance.

Methodology

Many aspects of CSR have been extensively studied (Galant & Cadez, 2017). Results of these studies have proven non-conclusive (Galant & Cadez, 2017). Organizational short- and long-term profit in conjunction with debt to equity has represented one area of a CSR based policy that has been under-researched. Debt to equity levels and its relation to organizational profits in both the current, long, and short-term was found to only represent a fraction of the CSR based studies. Of these studies, some (La Rosa et al., 2018; Limkriangkrai et al., 2017) have focused on regions outside of the United States. Only a relatively few (Branzei et al., 2018; Hsu & Liu, 2017; Moussu & Ohana, 2016) have focused on U.S. based companies. The emphasis of these studies primarily focused on quantitative easing, interest, and bond rate changes. An additional study of debt to equity, and its effect on short- and long-term organizational profits within a CSR based policy, could provide more data and help clarify the inconclusive results of CSR relationship to corporate profits.

One recommendation that has been suggested by previous researchers is the need for consistency and standardization within measurement standards. (Greenwood, 2007). Many previous studies (Lim, 2017; Limkriangkrai et al., 2017; Stanley, 2011) employed indexes to measure CSR implementation within an organization. Indexes provide the researcher with the availability and comparability of standardized information. Indexes will help in supporting the

idea of utilizing a standardization of measurement when rating organizational CSR. To overcome one the most common deficiency for indexes, market size, the U.S. S&P 500 index was used. CSRHub was chosen for CSR ratings because of their history and reputation to finical data excellence (ESG, 2019).

CSRHub represents one of the most extensive rating organizations, with data on over 17,000 companies from 143 countries. Their mission focus is to grow, catalog, and make assessable data that focuses on CSR and sustainability (About CSRHub, 2019). The data used by CSRHub to generate their ratings come from 618 data sources that focus on socially responsible investing research. These sources include well-known publications, indexes, non-government organizations, and government agencies (About CSRHub, 2019). CSRHub has amassed and standardized the information from these sources. These efforts have resulted in a comprehensive standardized rating system that allows the user to search the data and trace the information back to its source (About CSRHub, 2019).

As a certified B corporation (B Corp.), CSRHub has a goal of sustainability and transparency of organizational and CSR based information. CSRHub utilizes its resources to explain both social and environmental issues (About CSRHub, 2019). To obtain and maintain a B Corp. designation, an organization must continually display social and environmental standards through transparent performance and consideration for all stakeholders' interests (About CSRHub, 2019). CSRHub management team found that as a company focusing on CSR, it was in their best interest to be as transparent as possible. B Corp. requires a discloser of all information related to an organization's social, financial, and environmental information. Providing this data allows for data sharing and continual improvement of organizations reporting and goals (About CSRHub, 2019). CSRHub's dedication to social change through practice and

examination of CSR activity throughout organizations worldwide acts as a mechanism to ensure firms are performing CSR activities on the same level they are reporting. CSRHub is recognized by Global Reporting Initiative, Carbon Discloser Project, The Alliance of Trustworthy Business Experts, Global Initiative for Sustainable Ratings, and International Integrated Reporting Committee as a leader within CSR based reporting (About CSRHub, 2019).

Social responsibility reporting has risen to the forefront, with approximately 70 percent of Fortune 1000 companies discussing their programs on their website (About CSRHub, 2019). Of the 70 percent of Fortune 1000 businesses that report their CSR policies, approximately 27 percent quantify their data. A review of both small and mid-cap stocks has shown lower participation rates (CSRHub, 2019). Many groups are looking to quantify this organizational data. Environment, social and governance (ESG), socially responsible investment (SRI) firms, government agencies, and activist groups, amongst others, all try to quantitate data for their purposes. The information provided by these groups can be expensive, difficult to access, and limited in nature. Evaluating information from each of these separate entities can prove difficult with a shared framework (About CSRHub, 2019). CSRHub was selected for this study based on their proprietary system of assimilating and standardizing 186 million data sets from over 618 data sources (About CSRHub, 2019). Included within the CSRHub's rates are leading SRI and ESG organizations such as Institutional Shareholder Services, MSCI, Trucost, and Vigeo EIRIS (About CSRHub, 2019).

CSRHub had to overcome many barriers to better position itself to provide a reliable rating methodology. The first barrier to forming a consistent rating scale was to standardize different rating agencies reporting measures. The second barrier to overcome is that each rating organization may use a different rating scale. The third obstacle was that each rating organization

focused on a different group, index, or sector of ESG businesses. Four was that many rating agencies only provided rating updates once a year, causing data to be delayed and often outdated. The last barrier was the discrepancy as to which part of a business to rate. Some rating agencies reported on subsidiaries or products, while others focused on the parent company (About CSRHub, 2019).

CSRHub has developed its proprietary ratings methodology to ensure consistency with CSR ratings and overcome the rating barriers. The rating methodology used helped to reduce rating inconsistencies and bias. CSR was split into four primary categories and twelve subcategories. Each rating category form outside rating agencies is funneled into one of these categories to maintain consistency. A defined numeric scale from 0 to 100 was used for the rating conversions. By examining each rating companies' variations within their ratings, a pattern of biases can be developed. Once a pattern can be established, the rating is converted into CSRHub's 0 to 100 scale. Rating agencies' results allow for the data to become normalized by repeating this process. Each data set is weighted based on the value and credibility of the information. This information is then aggregated into CSRHub's rating system. Businesses that do not provide enough information are dropped form CSRHub's ratings. This action is to ensure the integrity and validity of all graded data. Each rated company is segregated based on industry and loosely matched the NAICS system (About CSRHub, 2019).

A quantitative approach was adopted utilizing multiple regression analysis. Three multiple regression models were used as there was more than one dependent variable. Having three dependent variables along with the multiple independent variables allowed the researcher to examine the effect of each together to determine a result ("Introduction", 2013; Wang, Zhongtian, Bo, & Chengbo, 2018). Financial performance was defined and analyzed using three

measures: debt and debt financing, short-term profit and long-term profit. The end of year data for 2018 was utilized for analysis. The data consisted of accounting-based measures and was gathered using both the S&P 500 and organizational 10k reports. Debt and debt financing focused on a firm's leverage and its ability to maintain its current level of product and corporate policies. Debt to equity ratio (D/E) is a measure of how much debt has been used to finance a business's operations and was used to measure a company's leverage. Both short-term and long-term profits were examined. Short-term profit was defined as how much profit is made off all revenue for a given year, or one year or less. Net profit margin (NPM) was used to calculate how much profit is made within a specific year. Long term profit is defined as a measure that may affect profits over one year in time and was measured by return on assets (ROA). ROA examines at how efficient a company is at applying organizational assets to generate future earnings.

The independent variable consisted of the social responsibility rating provided by CSRHub ESG rating system. This system utilizes three pillars that focus on environment, social, and governance. Each pillar is further broken down into themes and critical issues (ESG, 2019). Four primary variables were derived from ESG's three pillars. CSRHub's ESG index rating system consists of four primary categories (a) community, (b) employee, (c) environment, (d) and governance (ESG, 2019). These key criteria are a combination of propriety data and an aggregate rating score complied by CSRHub utilizing the top ESG rating agencies. The independent variables were obtained from CSRHub ESG index. CSRHub provides data gathered from over 605 sources across 134 industries. CSRHub is a leader in environment, social, and governance (ESG) reporting. CSRHub utilizes a plethora of qualified ratings organizations to assimilate data into one cohesive measure. Rating organizations such as the Dow Jones Sustainability Indexes, Ideal Ratings, ISS, MSCI, TRUCost, and Vegio Eiris data is aggregated

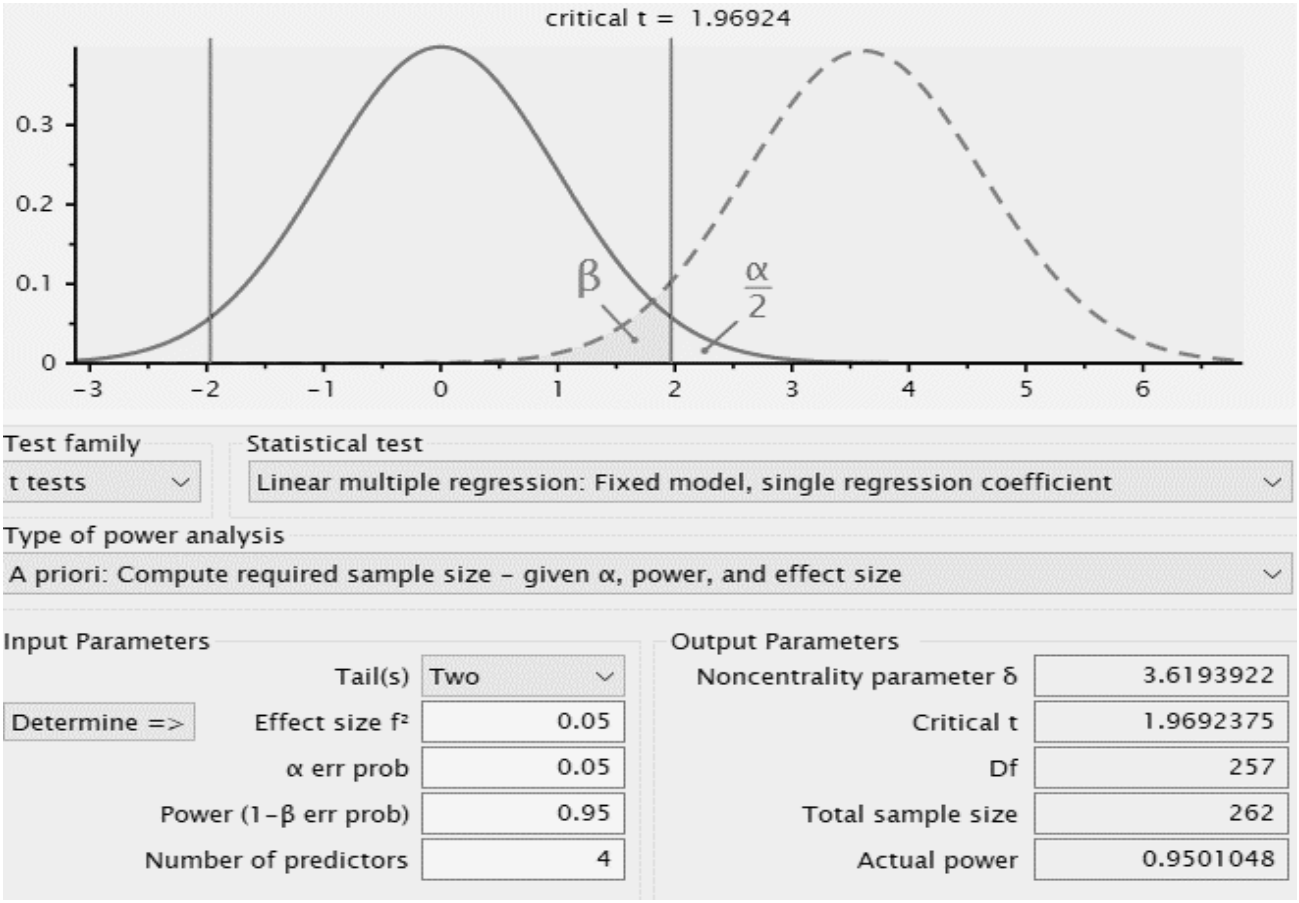
to form a mean CSR/ESG score for each rating category. This study consisted of utilizing a descriptive quantitative, regression-based design and examine a sample of 262 firms drawn from the 500 companies found on the 2018 S&P 500. This number represented a more extensive sampling than previous research conducted by both Lim (2017) and Stanley (2011).

Population

The population derived for this study utilized all firms located on the Standard and Poor's 500 (S&P 500) index for the 2018 year. The G* Power 3 tool (Faul et al., 2009) was used to derive a sufficient sample size to test at the $p. < 0.05$ level of probability. A t-test featuring a linear multiple regression: fixed model, single regression coefficient was used to determine the correct sample size for a study containing all 500 S&P companies. A power analysis using an a priori was used to convey information that is theoretical in nature and does not rely on observation. Other test parameters included the use of two tails, effect size of 0.05, error probability of 0.05, power of 0.95, and four predictor variables. From this analysis the proper sample size was determined to be 262 companies with the S&P 500 index.

Table 5

*G*Power 3 Sample Size Test*



Note. Data retrieved using G* Power 3 tool (Faul et al., 2009)

The S&P 500 index represents a market capitalization of approximately 80 percent of all U.S. based stock value (S&P Dow Jones Indices, 2019). All 500 firms combine to employ roughly 17 percent (about 27 million) of workers in the United States (S&P Dow Jones Indices, 2019). Selecting approximately 1/5 of the U.S. workforce provides a representative view of all U.S. workers. The impact of a sample this size allowed for businesses of all scopes to better comprehend the effects of a CSR policy has on profits and stakeholders.

Procedures for Recruitment, Participation, and Data Collection (Primary Data)

Data collection utilized 262 randomly selected business from all 500 companies found on the S&P 500 for the year-end 2018. A Microsoft Excel templet was established to record each company's name, ticker symbol; Dependent variables, (a) D/E, (b) NPM, and (c) ROA; And

independent variables, (a) community, (b) employee, (c) environment, (d) and governance, to gain the financial information needed to produce the dependent variables. The United States Securities and Exchange Commission's EDGAR database was utilized to provide each company's 2018 10k financial report (EDGAR, 2019). Independent variables were retrieved using the CSRHub ESG index for the 2018 year. CSRHub's index information was recorded directly from the company. The index information is proprietary and requires a fee for access. CSRHub's ESG index is available to both financial profession and college students for research purposes. Data collection commenced after Walden University's institutional review board approval was obtained.

Instrumentation and Operationalization of Constructs

Developers and year of publication. CSRHub provides research-based indexes that are used by investment managers and researchers to better position clients and examine organizational risk and performance (ESG, 2019). CSRHub ESG index was used to analyze CSR within each of the 2018 S&P 500 companies. Four categories (a) community, (b) employee, (c) environment, (d) and governance, were gleaned based on the index ratings. CSRHub's ESG index information is available for researchers and was provided for a fee. CSRHub is a private company that produces independent proprietary research, along with aggregate industry CSR ratings.

S&P 500 companies financials for the 2018 year-end 10k reports was found using the U.S. Securities and Exchange Commission's EDGAR database. This information is mandatory for all publicly traded companies and produced by each firm. The information is then housed on the EDGAR database and is open for public review (EDGAR, 2019).

Appropriateness to the current study. A quantitative approach was chosen as an appropriate method for this study as it asks a "what" question. The quantitative method looks at the what of a study, while qualitative approach asks why (Barnham, 2015). Because this study focused on the, what is the relationship, versus, why the relationship exists, a quantitative method was considered more appropriate. The quantitative approach was framed by stakeholder theory (Freeman, 1984). Stakeholder theory (Freeman, 1984) suggested that firms focus on more than profits to increase long term organizational results (Freeman, 1984; Jones et al., 2018). Concentrating on social and environmental concerns may increase stakeholder goodwill and long-term performance (Freeman, 1984; Jones et al., 2018).

Bias for development: Plan to provide evidence for reliability and validity. Many factors contributed to the development of this study. One main factor was based on El Akremi et al.'s (2018) assertion that certain stakeholder perceptions were not adequately developed because of the lack of uniformed CSR measurement standards. Taking this declaration into account, this study has chosen to follow the CSR measurement standard put forth by CSRHub and used in previous CSR based studies (Anderson, 2019; Kruse, 2019; Barney, 2018; Lim, 2017; Stanley, 2011). CSRHub provides data gathered from over 605 sources across 134 industries (ESG, 2019). These indicators are used by CSRHub to construct the four categories used in this study as independent variables (a) community, (b) employee, (c) environment, (d) and governance

These four categories incorporate the same rating information type used in Lim (2017) and Stanley (2011) and provide a consistent measure throughout the evolution of this topic. An emphasis on the S&P 500 index sectors also played a critical role in this study. The S&P 500 is made up of eleven categories consumer discretionary, (b) consumer staples, (c) energy, (d) financials, (e) healthcare, (f) industrials, (g) information technology, (h) materials, (i)

telecommunications services, (j) utilities and (k) real estate. Each sector was analyzed to determine if there was any strength between sector and a firms CSR inspired financial performance. Examining the independent variables against the three dependent variables of (a) D/E, (b) NPM, and (c) ROA helped eliminate any assumption of all debt being included ROA. Adding D/E and NPM expanded the analysis and reinforce all results.

Data Analysis Plan

The data gathered in this study was analyzed using utilize Statistical Package for the Social Science (SPSS) software. The SPSS program is a standard calculation tool used for quantitative analysis in both institutional and commercial settings. SPSS is designed to assist the investigator in analyzing large data sets with multiple data points. A review of 262 randomly selected samples from all firms found on the S&P 500 allowed for proper screening and reduction of any research bias caused by preexisting assumptions.

This new research utilized a descriptive type of data analysis that allowed for large amounts of data to be examined together while providing an interpretation to a multivariate analysis. SPSS software allowed for a data driven multiple regression analysis of each dependent and independent variable. SPSS uses the imputed data to compute the best relationship between IP and DP variables (Gallo, Davenport, & Kim, 2017). Regression analysis permits the filtering of data and helped to determine at which level the variables affect the topic of study while determining the probability of an event. Regression analysis provided the data needed to understand the impact of multiple independent variables. The more variables that are included in a study will help in reducing the margin of error for that study (Gallo et al., 2017).

To ensure all relevant data were recorded, this study developed a Microsoft Excel sheet that labeled each company along with each dependent and independent variable. This allowed for

creation of a searchable database of information that was imported into a data codebook for use within the SPSS software. The data codebook included names of all criteria found within both the dependent and independent variables. Creating a codebook ensured the proper tracking of all variable modification as well as monitoring of all data cleansing. This study was guided by the following research questions (RQs) and hypotheses:

RQ1: What is the relationship between corporate social responsibility and return on assets for companies listed in the S&P 500 for the year 2018.

$H1_0$: There is no statistically significant relationship between corporate social responsibility and return on assets for companies listed in the S&P 500 for the year 2018.

$H1_A$: There is a statistically significant relationship between corporate social responsibility and return on assets for companies listed in the S&P 500 for the year 2018.

RQ2: What is the relationship between corporate social responsibility and debt-versus-equity for companies listed in the S&P 500 for the year 2018.

$H2_0$: There is no statistically significant relationship between corporate social responsibility and debt-versus-equity in companies listed in the S&P 500 for the year 2018.

$H2_A$: There is a statistically significant relationship between corporate social responsibility and debt-versus-equity in companies listed in the S&P 500 for the year 2018.

RQ3: What is the relationship between corporate social responsibility and net profit margin in companies listed in the S&P 500 for the year 2018.

$H3_0$: There is no statistically significant relationship between corporate social responsibility and net profit margin in companies listed in the S&P 500 for the year 2018.

$H3_A$: There is a statistically significant relationship between corporate social responsibility and net profit margin in companies listed in the S&P 500 for the year 2018.

Threats to Validity

External Validity

Research that was conducted for this study utilized a large dataset that is representative of approximately 80% of all U.S. economic market capitalization (S&P Dow Jones Indices, 2019; United States, 2019). With nearly 80% of U.S. market capitalization accounted for, the results of this study could be interpreted for the whole of the U.S. firms. An emphasis on ST (Freeman, 1984) and CSR holds large organizations accountable beyond financial performance while balancing benefits for every stakeholder (Freeman, 1984; Harness, Ranaweera, Karjaluoto, & Jayawardhena, 2018). This contributes to the creditability of this study.

Internal Validity

CSRHub has taken detailed steps to ensure reliability, its data inputs are aggregated from other rating agencies. The only way to ensure complete reliability would be to develop a proprietary rating scale and examine each organization's CSR initiatives individually before providing classification and rating. With the production of a proprietary rating system time prohibiting, CSRHub's selection provided the best alternative for the most reliable information.

CSRHub data was gathered from over 605 sources across 134 industries. Their information has been utilized by many recent CSR researchers such as Anderson, (2019); Barny, (2018); Kruse, (2019); etc. Because CSRHub's data set is utilized by both current and past researchers, changing to this data set maintained continuity within research measurement for further compatibility. CSRHub is a leader in environment, social, and governance (ESG) reporting. CSRHub utilizes a plethora of qualified ratings organizations to assimilate data into

one cohesive measure. Rating organizations such as, Dow Jones Sustainability Indexes, Ideal Ratings, ISS, MSCI, TRUCost, and Vegio Eiris data is aggregated to form a mean CSR/ESG score for each rating category. CSRHub's strong reputation and credible data throughout the finance industry reduced the threat to internal validity in this study.

Construct Validity

Construction validity was improved by the collection and investigating of any data related to each of the four independent variables: of four primary categories: (a) community, (b) employee, (c) environment, (d) and governance, calculated by CSRHub ESG index. CSRHub's indexes have been analyzed for credibility by previous researchers (Anderson, 2019; Kruse, 2019; Barny, 2018) and found reliable for use in measuring CSR. CSRHub was selected for this study based on their proprietary system of assimilating and standardizing 186 million data sets from over 618 data sources (About CSRHub, 2019). Included within the CSRHub's ratings are leading SRI and ESG organizations such as Institutional Shareholder Services, MSCI, Trucost, and Vigeo EIRIS (About CSRHub, 2019). CSRHub positioned itself to provide a reliable rating methodology. A five-step approach was utilized to ensure validity: (a) Developed proprietary rating scale; (b) Standardized ratings scale from multiple rating agencies so they would be compatible with CSRHub proprietary scale; (c) Standardized ESG rating by creating four primary categories and twelve subcategories; (d) Provides continually updated data; (e) Incorporated all subsidiaries into their parent companies when rating (About CSRHub, 2019).

Unlike previous researchers (Lim, 2017; Stanley, 2011), ROA was not the only measure used to measure a firm's financial performance. ROA is a proven metric that allows for an examination of a firm's long-term profitability. Additional financial measures were used to examine short term profitability. Net profit margin allowed for an investigation of short-term

profits, while D/E assisted in determining if there was an increased debt load that may be associated with a CSR policy. Together, ROA, NPM, and D/E provided an increased glimpse into debt load, short-term and long-term profitability that was associated with a CSR policy. This multi-dimensional approach focused on the relationship between a firm's CSR policy and financial resulted in forwarding the theoretical framework of ST (Freeman, 1984) and TBL (Elkington, 1999).

Ethical Procedures

Ethical issues related to this study were limited to non-existent. All data that were used for research purposes is available institutional data found from both publicly available and proprietary databases. Both the SEC EDGAR database (10k reports), and CSRHub (CSR rating information) are sustained by public government enterprise and a sound research firm respectively. No human subjects were needed for this study, reducing any ethical issues that arise from human research subjects.

Summary

The focus of this chapter was to review and adapt the research approach and methodology. A quantitative multiple regression-based approach was chosen based on the type and number of both dependent and independent variables. The purpose of this study was to conduct an expanded study on whether any correlation existed between and CSR and an organization's financial performance. For this study, D/E, NPM, and ROA data from all 2018 S&P 500 firms was collected and used to populate the dependent variables. CSRHub ESG index from the year ending 2018 formed the basis of the independent variables. Four primary categories were examined to determine CSR rating: (a) community, (b) employee, (c) environment, (d) and governance. SPSS software was utilized to investigate the average total

CSR score for each S&P 500 firm. Each hypothesis was evaluated using multiple regression to determine the strength of any correlation and whether any S&P 500 sector is affected greater than another. Data gathering and analysis took place in chapter 4 and commenced once IBR approval was given.

Chapter 4: Results

The purpose of this quantitative multiple regression-based study was to examine what relationship existed between an organization's corporate social responsibility policy (CSR) and its financial performance. Financial performance was measured using, debt to equity ratio (D/E), net profit margin (NPM), and return on assets (ROA). These three measures were selected to provide a more encompassing perspective on an organization's finances. D/E, NPM, and ROA provide firm's debt and debt financing levels, short-term, and long-term profitability (Breece, 2017; Gallo, 2017c; Gallo, 2015b). CSR was measured using four primary categories, a) community, (b) employee, (c) environment, (d) and governance. These four measures cover each of the three ESG categories of (E) environmental and employee related issues, (S) social concerns, and (G) corporate governance (ESG, 2019).

Three research questions were proposed with accompanying hypotheses.

RQ1: What is the relationship between corporate social responsibility and return on assets for companies listed in the S&P 500 for the year 2018.

RQ2: What is the relationship between corporate social responsibility and debt-versus-equity for companies listed in the S&P 500 for the year 2018.

RQ3: What is the relationship between corporate social responsibility and net profit margin in companies listed in the S&P 500 for the year 2018.

For each research question, a separate set of hypotheses and null hypothesis were presented based on the dependent variables.

> H_0: There is no statistically significant relationship between corporate social responsibility and the dependent variable (d/e, npm, roa) in companies listed in the S&P 500 for the year 2018.

H_A: There is a statistically significant relationship between corporate social responsibility and the dependent variable (d/e, npm, roa) in companies listed in the S&P 500 for the year 2018.

Data Collection

Data collection for this study utilized Standard and Poor's 500 company index for fiscal year-end 2018. The dependent variables of debt to equity, return on assets, and net profit margin were all calculated using each companies' year-end 10k report. These reports were collected using the Securities and Exchange Commission's EDGAR database. Each company's year-end financial numbers were used to ensure measurement constancy. Dates for all S&P 500 companies' fiscal year-end are listed within Table A14. DataHub was used as a secondary source to confirm the accuracy of all independently gathered and calculated financial data. DataHub was selected for data confirmation because of its reputation and reliability of data analytics. DataHub's CKAN platform powers primary data-focused government websites such as data.gov and data.gov.uk (Kariv & Pollock, 2018). DataHub's selected dates the represented each S&P 500 companies year end reporting date when providing their analysis. Each date is listed within Table A14.

Debt to equity was used to determine and measure debt and debt-financing levels. The formula used to determine each company's debt to equity ratio (D/E): Debt / equity ratio = total liabilities / shareholders' equity. Net profit margin was utilized to calculate how much profit a business made from each dollar of sales. Profit margin may provide insight into short term profitability for a given year. The formula used to determine each company's net profit margin (NPM): Net profit margin = net profit / total revenues. Return on assets measures a business's profitability compared to its total assets. This measure allows for a longer-term view regarding

profits. The formula used to determine each company's return on assets (ROA): ROA = net income / total assets.

CSRHub's ESG database provided the independent CSR variables. This study utilized the four primary CSRHub groupings of (a) community, (b) employee, (c) environment, (d) and governance. Each business was provided a score within the four categories based on CSRHub composite rating scale. Each primary category was comprised of twelve secondary categories: (a) community development and philanthropy, (b) product, (c) human rights and supply chain, (d) compensation and benefits (e) diversity and labor rights, (f) training, health, and safety, (g) energy and climate change (h) environmental policy and reporting, (i) resource management, (j) board, (k) leadership ethics, (l) transparency and reporting (ESG, 2019). The primary category of community is made up of the secondary categories, community development and philanthropy, product, and human rights and supply chain; Employees consists of compensation and benefits, diversity and labor rights, and training, health, and safety; Environment is represented by energy and climate change, environmental policy and reporting, and resource management; Governance consists of secondary categories, board, leadership ethics, and transparency and reporting (ESG, 2019).

From all 505 S&P 500 listed securities, 262 companies were selected for the study. This sample size was determined using the G* Power tool (Faul et al., 2009). A t-test featuring a multiple linear regression: fixed model, single regression coefficient was used to determine the correct sample size for a study containing all 500 S&P companies. Results and a graph showing this test are found in chapter 3, table 5.

Research Randomizer was selected to produce a random sampling of 262 companies from the 500 companies (505 stocks) within the 2018 S&P 500 index (Urbaniak, & Plous, 2013).

This random number generator provides free service for students and researchers and is published by the Social Psychology Network (Urbaniak & Plous, 2013). The random numbers are generated using an algorithm generated by Math.random method within the JavaScript program language (Urbaniak & Plous, 2013). Since its inception, Research Randomizer has produced approximately 27 billion random numbers (Urbaniak & Plous, 2013). The random number generator produced selection numbers (table 6) that were then used to determine which S&P companies to examine. All S&P 500 companies were placed in alphabetical order and assigned a corresponding number for selection purposes. Each selected company and corresponding rating can be found in table A14.

Table 6

Random number selection test

1 Set of 262 Unique Numbers
Range: From 2 to 506— Sorted from Least to Greatest

Set #1

2, 5, 6, 10, 11, 12, 14, 16, 17, 18, 20, 21, 22, 24, 26, 28, 29, 30, 32, 35, 37, 38, 40,
42, 45, 46, 48, 51, 52, 55, 58, 60, 61, 64, 70, 73, 74, 75, 76, 77, 82, 83, 84, 86, 91,
94, 95, 98, 104, 109, 111, 112, 116, 119, 120, 121, 123, 124, 127, 128, 129,
130, 131, 132, 133, 137, 138, 140, 141, 145, 146, 148, 151, 152, 153, 154, 156,
157, 158, 159, 160, 161, 170, 171, 172, 173, 174, 175, 177, 178, 179, 181, 182,
188, 189, 190, 191, 194, 196, 199, 200, 201, 202, 203, 206, 208, 210, 211, 212,
213, 215, 218, 219, 222, 223, 224, 225, 226, 229, 230, 231, 233, 235, 236, 237,
238, 239, 241, 242, 244, 246, 249, 250, 252, 254, 257, 259, 260, 262, 263, 265,
268, 269, 272, 274, 276, 278, 282, 286, 287, 289, 292, 293, 294, 295, 298, 300,
304, 305, 306, 307, 310, 312, 313, 314, 316, 321, 323, 324, 325, 326, 330, 331,
334, 335, 337, 340, 341, 343, 344, 345, 348, 350, 352, 357, 358, 360, 361, 362,
363, 365, 368, 369, 371, 377, 378, 379, 381, 382, 383, 384, 386, 387, 389, 393,
396, 397, 399, 400, 401, 404, 408, 410, 411, 414, 415, 416, 421, 422, 423, 424,
427, 433, 434, 436, 437, 438, 442, 444, 445, 446, 451, 452, 454, 455, 457, 459,
462, 463, 464, 467, 468, 473, 474, 476, 478, 479, 480, 481, 482, 486, 488, 489,
491, 492, 494, 495, 496, 497, 499, 500, 501

Note. Table represents 262 companies randomly selected from the 505 company stocks listed on the S&P 500 index for the fiscal year ending 2018. Random numbers selected using Research Randomizer software (Urbaniak & Plous, 2013).

Study Results

For each dependent variable of debt to equity, net profit margin, and return on assists, a multiple regression analysis was conducted. Each dependent variable was measured against four independent variables of community, employees, environment, and governance. Three separate SPSS based regression analyses were conducted to determine levels of correlation. Four primary assumptions were examined to ensure that the multiple regression analysis was valid.

The first assumption was a linear relationship. A linear relationship shows the statistical relationship between a constant and a variable. The second assumption focuses on normality. Normality is achieved in multiple regression when the residuals are normally distributed. A histogram and P-P plot were used to measure normality in each regression model. Multicollinearity represents the third assumption of the regression analysis. For collinearity to exist, the independent variables must not be highly correlated with each other. Multicollinearity was tested using the collinearity statistics of the variance inflation factor (VIF) and tolerance. IBM describes the results of the SPSS condition index as lower than 15 as limited multicollinearity; 15 to 30 as probability of multicollinearity; and greater than 30 as a strong probability of multicollinearity (IBM.com). Homoscedasticity represents the fourth assumption. This assumption asserts that variance error is related to the values of the independent variables. A simple scatter plot chart was used to interpret the homoscedasticity of each multiple regression analysis using the mean standardized residual on the x-axis and unstandardized predictor variable on the y-axis.

Research Question(s) and Hypotheses

RQ1: What is the relationship between corporate social responsibility and return on assets for companies listed in the S&P 500 for the year 2018.

Linear Relationship

Table 7

RQ1: Model Summary

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.179[a]	.032	.017	7.39209	2.042

a. Predictors: (Constant), Governance , Enviroment, Employees, Community

b. Dependent Variable: ROA(%)

The overall the model accounts for 3.2% of variance in return on assets. Therefore, corporate social responsibility measured by governance, environment, employees and community factors contribute to 3.2% of variance in return on assets in the S&P 500 for the year 2018. The Durbin-Watson test assessed the assumption of independent errors by testing whether adjacent residuals were correlated. The test statistic value was greater than 2 (2.04) indicating a slightly negative correlation. This value was not considered problematic given the large sample size and is not necessarily suggestive of negative autocorrelation.

Table 8

RQ1: Anova

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	459.786	4	114.947	2.104	.081[b]
	Residual	13933.979	255	54.643		
	Total	14393.765	259			

a. Dependent Variable: ROA(%)

b. Predictors: (Constant), Governance , Enviroment, Employees, Community

The model is not a significant fit of the data F (4, 255) = 2.10, p = .08. The adjusted R^2 (.017) shows considerable shrinkage from the unadjusted value (.032) indicating that the model may not generalize well.

Multicollinearity

Table 9

RQ1: Coefficients

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			95.0% Confidence Interval for B	
		B	Std. Error	Beta	t	Sig.	Lower Bound	Upper Bound
1	(Constant)	12.150	5.119		2.374	.018	2.070	22.230
	Community	.318	.153	.196	2.083	.038	.017	.618
	Employees	-.239	.113	-.191	-2.120	.035	-.461	-.017
	Enviroment	.009	.075	.009	.114	.909	-.140	.157
	Governance	-.119	.102	-.097	-1.163	.246	-.321	.083

a. Dependent Variable: ROA(%)

In terms of the individual predictors of corporate social responsibility, it seems that community significantly predicted return on assets with a significantly positive relationship indicating that as community factors increase, the return on assets increases (B = .318, p < .05). Employees significantly predicted return on assets with a significantly negative relationship (B = -.239, p < .05). Neither environment nor governance significantly predicted return on assets.

Table 10

RQ1: Collinearity Diagnostics

Collinearity Diagnostics[a]

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions				
				(Constant)	Community	Employees	Enviroment	Governance
1	1	4.975	1.000	.00	.00	.00	.00	.00
	2	.011	21.092	.21	.00	.00	.72	.01
	3	.006	28.654	.42	.00	.00	.11	.72
	4	.004	33.270	.29	.06	.63	.13	.25
	5	.003	40.047	.08	.93	.36	.05	.02

a. Dependent Variable: ROA(%)

Results from the collinearity diagnostics as they relate to ROA display both probability and strong probability of multicollinearity. Dimension 2 display a condition index of 21.092 and Dimension 3 display a condition index of 28.654. Dimension 2 and 3 are greater than 15 but lower than 30 representing a probability of multicollinearity. Dimension 4 displays a condition index of 33.270 and Dimension 5 displays a condition index of 40.047. Both Dimension 4 and 5 are greater than 30 representing a strong probability of multicollinearity.

Normality

Figure 1. RQ1: Histogram

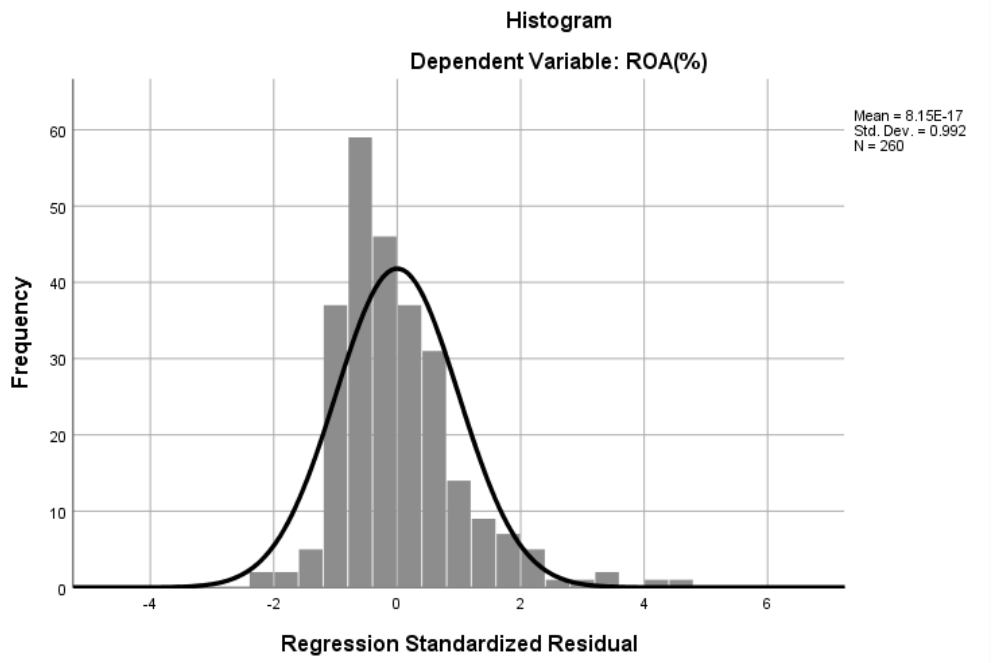


Figure I. Analyzed frequency of the regression standardized residual as it related to the dependent variable of ROA.

Figure 2. RQ1: P-P Plot

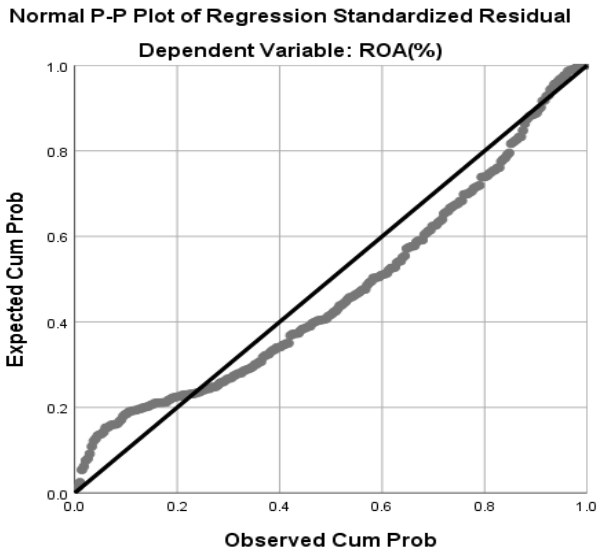


Figure II. Analyzed expected cumulative probability against observed cumulative probability as it related to the dependent variable of ROA.

A histogram and P-P plot were utilized to check for normality. The histogram for this analysis is represented by a bell-shaped curve and is roughly symmetric with a slight right skewness. The histogram exhibits normality because of its roughly symmetrical shape. The P-P plot examined the difference between the expected cumulative probability and the observed cumulative probability. The P-P plot did not represent a normal curve with the distribution line slightly crossing and falling above and then below the normal distribution line.

Homoscedasticity

Figure 3. RQ1: Scatter Plot

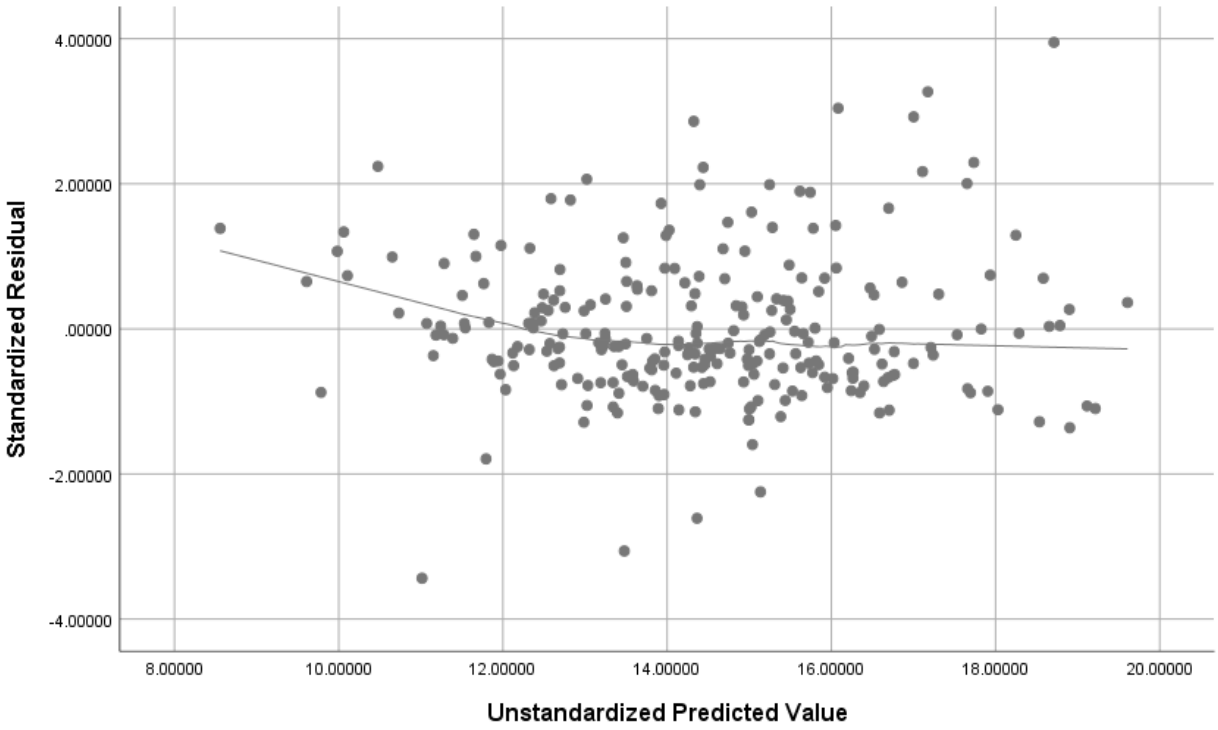


Figure III. Analyzed the standardized residual against the unstandardized predicted value the dependent variable of ROA.

Table 11

RQ1: Casewise Diagnostic

Casewise Diagnostics[a]

Case Number	Std. Residual	ROA(%)	Predicted Value	Residual
98	3.162	31.75	8.3726	23.37735
172	3.553	34.49	8.2266	26.26338
184	4.124	38.13	7.6482	30.48181
232	3.250	31.11	7.0841	24.02593
244	4.756	43.79	8.6308	35.15917

a. Dependent Variable: ROA(%)

Homoscedasticity examined the error term across all independent variable values. The results of this test indicated that there was no relationship found between the standard residual

and the unstandardized predicted value. This test resulted in a heteroscedasticity relationship with the various error term across the independent variable.

RQ2: What is the relationship between corporate social responsibility and debt-versus-equity for companies listed in the S&P 500 for the year 2018.

Linear Relationship

Table 12

RS2: Model Summary

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.208[a]	.043	.028	6.14142	2.060

a. Predictors: (Constant), Governance , Enviroment, Employees, Community

b. Dependent Variable: D/E

The overall model accounts for 4.3% of the variance in debt to equity ratio. Therefore, corporate social responsibility measured by governance, environment, employees and community factors contribute to 4.3% of variance in debt to equity ratio in the S&P 500 for the year 2018. The Durbin-Watson test assessed the assumption of independent errors by testing whether adjacent residuals were correlated. The test statistic value was marginally greater than 2 (2.06) indicating a slightly negative correlation. This value was not considered problematic given the large sample size and is not necessarily suggestive of negative autocorrelation.

Table 13

RQ2: Anova

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	432.852	4	108.213	2.869	.024[b]
	Residual	9617.839	255	37.717		
	Total	10050.690	259			

a. Dependent Variable: D/E

b. Predictors: (Constant), Governance , Enviroment, Employees, Community

The model is a significant fit of the data F (4, 255) = 2.87, $p < .05$. The adjusted R^2 (.028) shows shrinkage from the unadjusted value (.043) indicating that the model may not generalize well.

Multicollinearity

Table 14

RQ2: Coefficients

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	-2.862	4.253		-.673	.502		
	Community	-.263	.127	-.194	-2.071	.039	.427	2.340
	Employees	.175	.094	.167	1.862	.064	.465	2.149
	Enviroment	.140	.063	.186	2.240	.026	.547	1.829
	Governance	-.035	.085	-.034	-.410	.682	.550	1.818

a. Dependent Variable: D/E

In terms of the individual predictors of corporate social responsibility, it seems that community significantly predicted debt to equity ratio with a meaningfully positive relationship indicating that as community factors increase, the debt to equity ratio is reduced (B = -.263, p = .04). Environment significantly predicted debt to equity with a significantly positive relationship (B = .14, p = .03). Neither employees nor governance significantly predicted debt to equity.

Table 15

RQ2: Collinearity Diagnostics

Collinearity Diagnostics[a]

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions (Constant)	Community	Employees	Enviroment	Governance
1	1	4.975	1.000	.00	.00	.00	.00	.00
	2	.011	21.092	.21	.00	.00	.72	.01
	3	.006	28.654	.42	.00	.00	.11	.72
	4	.004	33.270	.29	.06	.63	.13	.25
	5	.003	40.047	.08	.93	.36	.05	.02

a. Dependent Variable: D/E

Results from the collinearity diagnostics as they relate to D/E display both probability and strong probability of multicollinearity. Dimension 2 display a condition index of 21.092 and Dimension 3 display a condition index of 28.654. Dimension 2 and 3 are greater than 15 but lower than 30 representing a probability of multicollinearity. Dimension 4 displays a condition index of 33.270 and Dimension 5 displays a condition index of 40.047. Both Dimension 4 and 5 are greater than 30 representing a strong probability of multicollinearity.

Normality

Figure 4. RQ2: Histogram

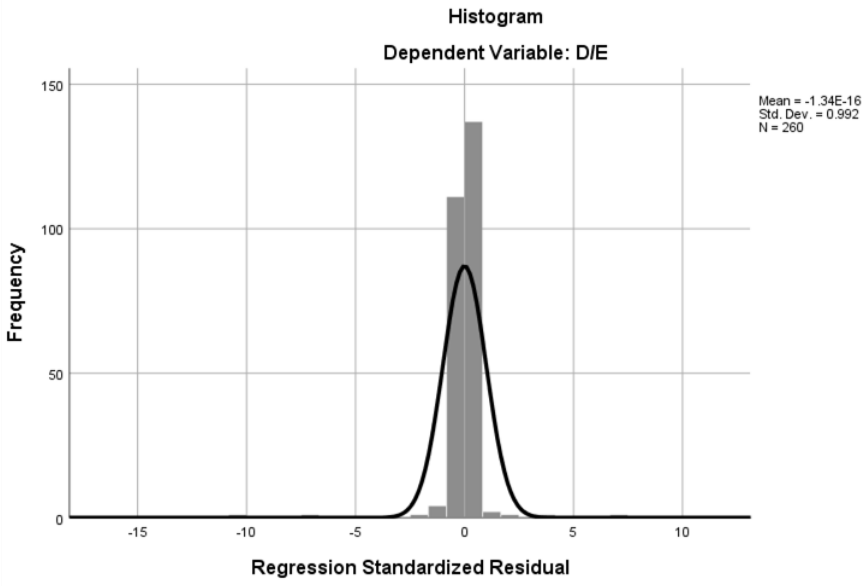


Figure IV. Analyzed frequency of the regression standardized residual as it related to the dependent variable of D/E.

Figure 5. *RQ2: P-P Plot*

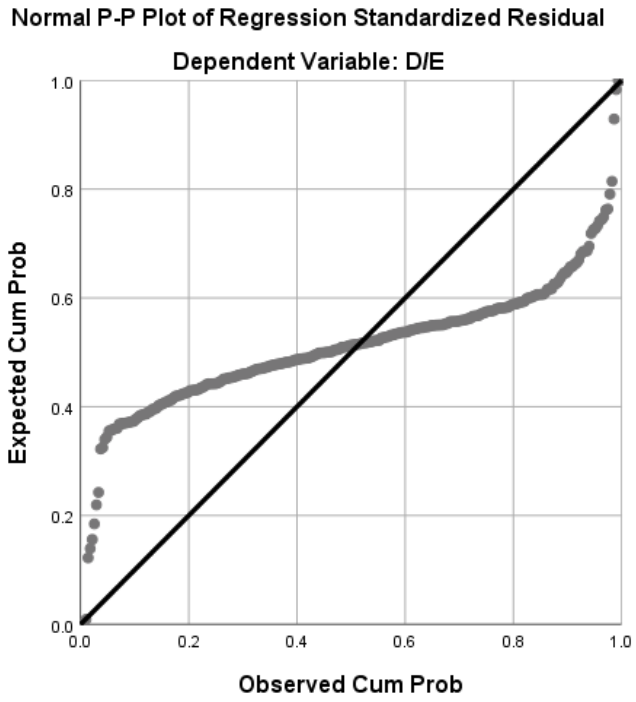


Figure IV. Analyzed expected cumulative probability against observed cumulative probability as it related to the dependent variable of D/E.

A histogram and P-P plot were utilized to check for normality. The histogram for this analysis is represented by a bell-shaped curve and is roughly symmetric with a slight right skewness. The histogram exhibits normality because of its roughly symmetrical shape. The P-P plot examined the difference between the expected cumulative probability and the observed cumulative probability. The P-P plot did not represent a normal curve with the distribution line greatly crossing and falling above and then below the normal distribution line.

Homoscedasticity

Figure 6. RQ2: Scatter Plot

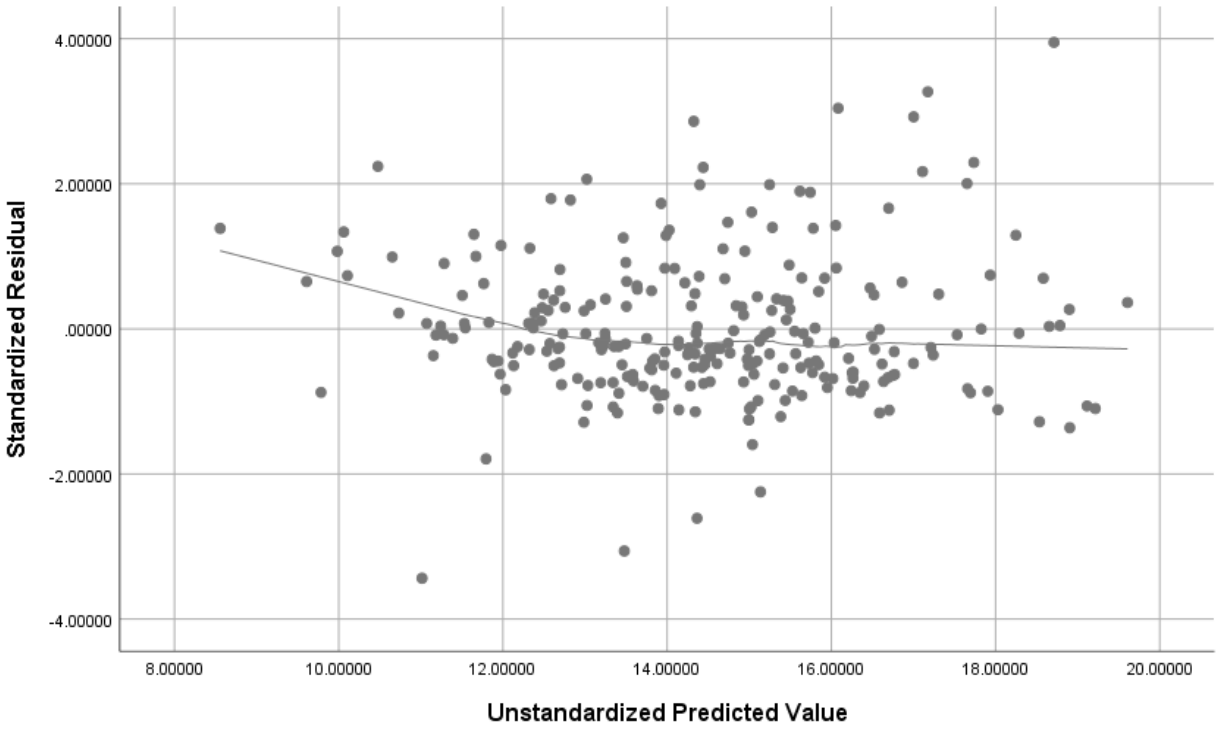


Figure VI. Analyzed the standardized residual against the unstandardized predicted value the dependent variable of D/E.

Table 16

RQ2: Casewise Diagnostics

Casewise Diagnostics[a]

Case Number	Std. Residual	D/E	Predicted Value	Residual
33	3.844	25.99	2.3811	23.60888
122	-7.288	-47.61	-2.8526	-44.75736
128	-10.345	-65.13	-1.5943	-63.53572
158	6.849	43.06	.9965	42.06348

a. Dependent Variable: D/E

Homoscedasticity examined the error term across all independent variable values. The results of this test indicated that there was no relationship found between the standard residual and the unstandardized predicted value. This test resulted in a heteroscedasticity relationship with the various error term across the independent variable.

RQ3: What is the relationship between corporate social responsibility and net profit margin in companies listed in the S&P 500 for the year 2018.

Linear Relationship

Table 17

RQ3: Model Summary

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.159[a]	.025	.010	12.68278	1.978

a. Predictors: (Constant), Governance , Enviroment, Employees, Community

b. Dependent Variable: NET(%)

The overall model accounts for 2.5% of variance in net profit margin. Therefore, corporate social responsibility measured by governance, environment, employees and community factors contribute to 2.5% of variance in net profit margin in the S&P 500 for the year 2018. The Durbin-Watson test assessed the assumption of independent errors by testing whether adjacent residuals were correlated. As the test statistic value was marginally less than 2 (1.98), it indicated that residuals are virtually uncorrelated.

Table 18

RQ3: Anova

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1062.682	4	265.670	1.652	.162[b]
	Residual	41017.490	255	160.853		
	Total	42080.172	259			

a. Dependent Variable: NET(%)

b. Predictors: (Constant), Governance , Enviroment, Employees, Community

The model is not a significant fit of the data F (4, 255) = 1.65, $p > .05$. The adjusted R^2 (.01) shows shrinkage from the unadjusted value (.025) indicating that the model may not generalize well.

Multicollinearity

Table 19

RQ3: Coefficients

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	19.286	8.782		2.196	.029		
	Community	.080	.262	.029	.306	.760	.427	2.340
	Employees	.256	.194	.120	1.321	.188	.465	2.149
	Enviroment	-.010	.129	-.007	-.079	.937	.547	1.829
	Governance	-.428	.176	-.203	-2.437	.016	.550	1.818

a. Dependent Variable: NET(%)

In terms of the individual predictors of corporate social responsibility, it seems that governance significantly predicted net profit margin with a significantly negative relationship indicating that as governance factors increase, the net profit margin decreased (B = -.428, p = .02). Community, employees, and environment did not significantly predict net profit margin.

Table 20

RQ3: Collinearity Diagnostics

Collinearity Diagnostics[a]

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions				
				(Constant)	Community	Employees	Enviroment	Governance
1	1	4.975	1.000	.00	.00	.00	.00	.00
	2	.011	21.092	.21	.00	.00	.72	.01
	3	.006	28.654	.42	.00	.00	.11	.72
	4	.004	33.270	.29	.06	.63	.13	.25
	5	.003	40.047	.08	.93	.36	.05	.02

a. Dependent Variable: NET(%)

Results from the collinearity diagnostics as they relate to NPM display both probability and strong probability of multicollinearity. Dimension 2 display a condition index of 21.092 and Dimension 3 display a condition index of 28.654. Dimension 2 and 3 are greater than 15 but lower than 30 representing a probability of multicollinearity. Dimension 4 displays a condition index of 33.270 and Dimension 5 displays a condition index of 40.047. Both Dimension 4 and 5 are greater than 30 representing a strong probability of multicollinearity.

Normality

Figure 7. RQ3: Histogram

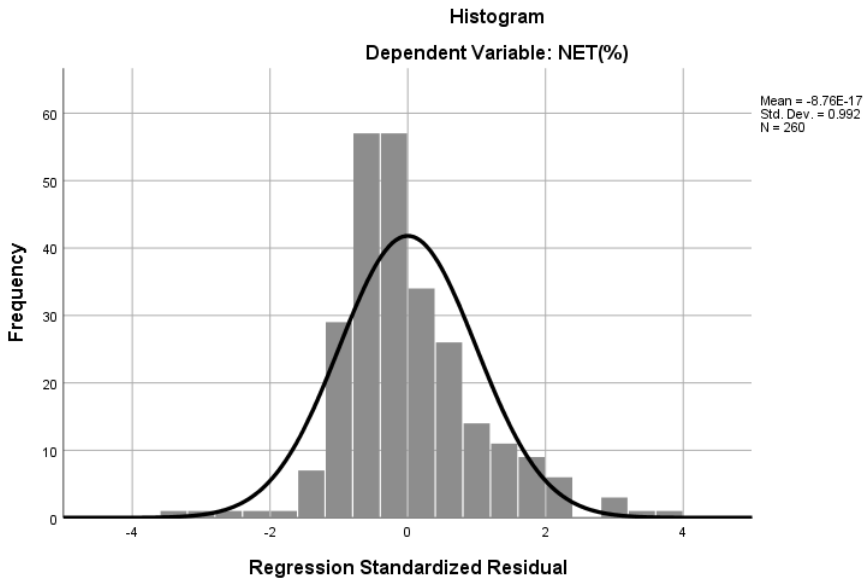


Figure VII. Analyzed frequency of the regression standardized residual as it related to the dependent variable of NPM.

Figure 8. RQ3: P-P Plot

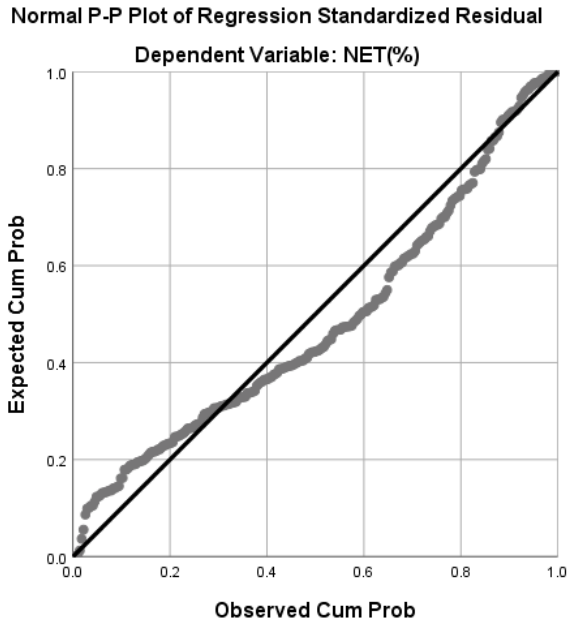


Figure VIII. Analyzed expected cumulative probability against observed cumulative probability as it related to the dependent variable of NPM.

A histogram and P-P plot were utilized to check for normality. The histogram for this analysis is represented by a bell-shaped curve and is roughly symmetric with a slight right skewness. The histogram exhibits normality because of its roughly symmetrical shape. The P-P plot examined the difference between the expected cumulative probability and the observed cumulative probability. The P-P plot did not represent a normal curve with the distribution line slightly crossing and falling above and then below the normal distribution line.

Homoscedasticity

Figure 9. RQ3: Scatter Plot

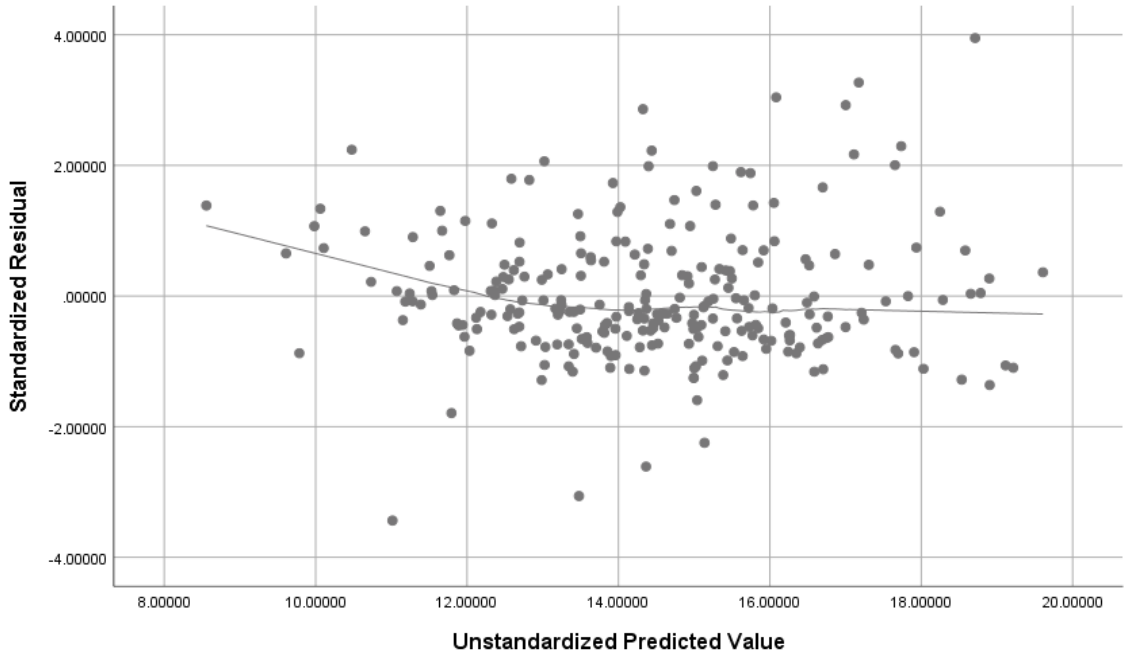


Figure VI. Analyzed the standardized residual against the unstandardized predicted value the dependent variable of NPM.

Table 21

RQ3: Casewise Diagnostics

Casewise Diagnostics[a]

Case Number	Std. Residual	NET(%)	Predicted Value	Residual
12	-3.437	-32.58	11.0149	-43.59495
62	3.042	54.66	16.0827	38.57727
195	3.269	58.63	17.1748	41.45524
244	3.949	68.80	18.7110	50.08902
260	-3.062	-25.36	13.4779	-38.83790

a. Dependent Variable: NET(%)

Homoscedasticity examined the error term across all independent variable values. The results of this test indicated that there was no relationship found between the standard residual and the unstandardized predicted value. This test resulted in a heteroscedasticity relationship with the various error term across the independent variable.

Chapter 5: Discussion, Conclusions, and Recommendations

The purpose of this quantitative multiple regression-based study was to examine what relationship existed between an organization's corporate social responsibility policy (CSR) and its financial performance. Quantitative research is consistent with understanding and measuring the level of correlation between an organization's CSR and its financial performance. Stakeholder theory (ST) (Freeman, 1984) and the triple bottom-line framework (TBL) (Elkington, 1999) were utilized to frame this study as both theories focus on CSR. Results from previous studies have been mixed (Allard, 2018; Gangi et al., 2019; Martínez & Nishiyama, 2019; Macaulay et al., 2019; Yim et al., 2019). This study's purpose was to expand and refine the available information that can be used by upper management when making decisions on whether to implement an organizational CSR based policy. Results from this study did not find any statistically significant relationship between corporate social responsibility and return on assets and net profit margin for companies listed in the S&P 500 for the year 2018. A limited statistically significant relationship was discovered when analyzing debt to equity and CSR.

Interpretation of Findings

Research Question 1 Results:

RQ1: What is the relationship between corporate social responsibility and return on assets for companies listed in the S&P 500 for the year 2018.

$H1_0$: There is no statistically significant relationship between corporate social responsibility and return on assets for companies listed in the S&P 500 for the year 2018.

$H1_A$: There is a statistically significant relationship between corporate social responsibility and return on assets for companies listed in the S&P 500 for the year 2018.

Finding for RQ1 are described using the four separate assumptions of multiple regression analysis: Linearity, multicollinearity, homoscedasticity, and normality.

Linearity

Linearity for ROA relationship with corporate financial performance was found not to be significant. This model is not a significant fit of the data F (4, 255) = 2.10, p = .08. The adjusted R^2 (.017) shows considerable shrinkage from the unadjusted value (.032) indicating that the model may not generalize well. The model accounted for 3.2% of variance in return on assets. Adjacent residuals were found to be correlated based on the Durbin-Watson test. The statistic value was greater than 2 (2.04). It indicated a slightly negative correlation, however given the large size of the sample, this was not considered problematic.

Multicollinearity

Multicollinearity for ROA relationship with CSR was mixed. The predictor variables of community (.038) and employees (.035) displayed a significant relationship. Community significantly predicted ROA with a meaningfully positive relationship indicating that as community factors increase, the return on assets increases (B = .318, p < .05). Environment significantly predicted ROA with a significantly negative relationship (B = -.239, p < .05). Neither environment nor governance significantly predicted return on assets. The collinearity diagnostic resulted in a probability and strong probability of multicollinearity as related to ROA.

Normality

A roughly symmetric and slightly right skewed bell-shaped curve was found for ROA's relationship with CSR using a histogram. To better understand the result of the slight right skewed bell-shaped curve a P-P plot was run. The P-P plot examined the difference between the expected cumulative probability and the observed cumulative probability. The P-P plot did not

represent a normal curve with the distribution line slightly crossing and falling above and then below the normal distribution line. Because of the slight right skew on the histogram and the offline distribution curve found on the P-P plot, normality could not be confirmed.

Homoscedasticity

Homoscedasticity examined the error term across all independent variable values for ROA relationship with financial performance. The results of this test indicated that there was no relationship found between the standard residual and the unstandardized predicted value. This test resulted in a heteroscedasticity relationship with the various error term across the independent variable.

Conclusion

Results for ROA relationship with CSR found linearity and normality to be outside their allotted tolerances. Evidence of the probability and strong probability of multicollinearity and a heteroscedasticity relationship with the various error term across the independent variable was also present. The results for these assumption support $H1_0$: There are no statistically significant relationships between corporate social responsibility and return on assets for companies listed in the S&P 500 for the year 2018.

Research Question 2 Results:

RQ2: What is the relationship between corporate social responsibility and debt-versus-equity for companies listed in the S&P 500 for the year 2018.

$H2_0$: There is no statistically significant relationship between corporate social responsibility and debt-versus-equity in companies listed in the S&P 500 for the year 2018.

$H2_A$: There is a statistically significant relationship between corporate social responsibility and debt-versus-equity in companies listed in the S&P 500 for the year 2018.

Finding for RQ2 are described using the four separate assumptions of multiple regression analysis: Linearity, multicollinearity, homoscedasticity, and normality.

Linearity

Linearity for D/E relationship with financial performance was found to be significant. This model is a significant fit of the data F (4, 255) = 2.87, $p < .05$. The adjusted R^2 (.028) shows shrinkage from the unadjusted value (.043) indicating that the model may not generalize well. The model accounted for 4.3% of variance in debt to equity ratio. Adjacent residuals were found to be correlated based on the Durbin-Watson test. The statistic value was greater than 2 (2.06), it indicated a slightly negative correlation however, given the large size of the sample, this was not considered problematic.

Multicollinearity

Multicollinearity for D/E relationship with CSR had mixed significance levels. The predictor variables of community (.039) and environment (.026) displayed a significant relationship ($p < .05$). Community significantly predicted D/E with a meaningfully positive relationship indicating that as community factors increase, the D/E decrease (B = -.263, $p < .05$). Environment significantly predicted D/E with a significantly negative relationship indicating that as environmental factors increase, the D/E increases (B = .140, $p < .05$). Neither employees nor governance significantly predicted D/E. The collinearity diagnostic resulted in a probability and strong probability of multicollinearity as related to D/E.

Normality

A roughly symmetric and slightly right skewed bell-shaped curve was found for D/E's relationship with CSR using a histogram. To better understand the result of the slight right skewed bell-shaped curve a P-P plot was run. The P-P plot examined the difference between the expected cumulative probability and the observed cumulative probability. The P-P plot did not represent a normal curve with the distribution line greatly crossing and falling above and then below the normal distribution line. Because of the slight right skew on the histogram and the offline distribution curve found on the P-P plot, normality could not be confirmed.

Homoscedasticity

Homoscedasticity examined the error term across all independent variable values for D/E relationship with financial performance. The results of this test indicated that there was no relationship found between the standard residual and the unstandardized predicted value. This test resulted in a heteroscedasticity relationship with the various error term across the independent variable.

Conclusion

Results for D/E relationship with CSR found linearity for all measures to be within the allotted tolerance. Evidence of nonconforming normality, the probability and strong probability of multicollinearity, and a heteroscedasticity relationship with the various error term across the independent variable were also present. The results for these assumption support H2A: There are a statistically significant relationships between corporate social responsibility and debt-versus-equity in companies listed in the S&P 500 for the year 2018. Both predictor variables of community (.039) and environment (.026) displayed a significant relationship ($p < .05$). Community significantly predicted D/E with a significantly positive relationship indicating that

as community factors increase, the D/E decrease (B = -.263, p < .05). This result would indicate that implementing a community-based CSR policy would have a positive impact on a business's debt level and contribute to lower debt loads and/or increased earnings. Environment significantly predicted D/E with a significantly negative relationship (B = .140, p < .05). This result would indicate that implementing an environmental-based CSR policy would have a direct negative impact on a business's debt level by either increasing debt levels or lowering earnings. Employees and governance were found to not be significant when testing for multicollinearity.

Research Question 3 Results:

RQ3: What is the relationship between corporate social responsibility and net profit margin in companies listed in the S&P 500 for the year 2018.

H30: There is no statistically significant relationship between corporate social responsibility and net profit margin in companies listed in the S&P 500 for the year 2018.

H3A: There is a statistically significant relationship between corporate social responsibility and net profit margin in companies listed in the S&P 500 for the year 2018.

Linearity

Linearity for NPM relationship with financial performance was found not to be significant. This model is not a fit of the data F (4, 255) = 1.65, p > .05. The adjusted R^2 (.01) shows shrinkage from the unadjusted value (.025) indicating that the model may not generalize well. The model accounted for 2.5% of variance in net profit margin. Adjacent residuals were found to be correlated based on the Durbin-Watson test. The statistic value was less than 2 (1.98). It indicated a slightly positive correlation, however given the large size of the sample, this was not considered problematic.

Multicollinearity

Multicollinearity for NPM relationship with CSR was mixed. The predictor variable of governance (.016) displayed a significant relationship. Governance significantly predicted NPM with a meaningfully negative relationship indicating that as governance factors increase, the return on assets decrease (-.428, $p = .02$). Neither community, employees, nor environment significantly predicted return on assets. The collinearity diagnostic resulted in a probability and strong probability of multicollinearity as related to NPM.

Normality

A roughly symmetric and slightly right skewed bell-shaped curve was found for NPM's relationship with CSR using a histogram. To better understand the result of the slight right skewed bell-shaped curve a P-P plot was run. The P-P plot examined the difference between the expected cumulative probability and the observed cumulative probability. The P-P plot did not represent a normal curve with the distribution line slightly crossing and falling above and then below the normal distribution line. Because of the slight right skew on the histogram and the offline distribution curve found on the P-P plot, normality could not be confirmed.

Homoscedasticity

Homoscedasticity examined the error term across all independent variable values for NPM relationship with financial performance. The results of this test indicated that there was no relationship found between the standard residual and the unstandardized predicted value. This test resulted in a heteroscedasticity relationship with the various error term across the independent variable.

Conclusion

Results for ROA relationship with CSR found linearity and normality to be outside their allotted tolerances. Evidence of the probability and strong probability of multicollinearity and a heteroscedasticity relationship with the various error term across the independent variable was also present. The results for these assumption support $H1_0$: There are no statistically significant relationships between corporate social responsibility and net profit margin for companies listed in the S&P 500 for the year 2018.

Overall Findings

Overall findings suggest that there is not any significance or correlation between ROA an NPM. This goes against the previous findings of similar CSR based research from Benlemlih et al. (2018), Gangi et al. (2019), Martínez and Nishiyama (2019), Stanley (2011), and Yim et al., (2019) but supports the findings of Allard (2018), Baird et al. (2012), Peng and Yang (2014), and Stanley (2011). These findings also do not align with the frameworks of triple bottom line (Elkington, 1999) and Stakeholder Theory (Freeman, 1984) which emphasize the importance of CSR through concerns of community, environment, employees, and governance.

Significance was found when examining D/E. Overall linearity was confirmed to be significant for the whole category. Multicollinearity spit the D/E categories into two distinct groups: Significant - community (.039) and environment (.026); Insignificant – employees (.064), and governance (.682). D/E's employees and governance categories did not pass the significance test and can be added to ROA and NPM as not significantly aligning to Elkington (1999) and Freeman's (1984) Theories. Further confounding these D/E results. Environment resulted in a significant negative correlation indicating that as environmental factors increase, the debt to equity ratio will increase ($B = .140$, $p < .05$). Investing in the environment will cost the

utilizing business more to implement then they will generate in return. This calls into question whether Elkington (1999) and Freeman's (1984) theories should be utilized by organizations. In contrast, community resulted in a significant positive correlation indicating that as community factors increase, the debt to equity ratio is reduced (B = -.263, $p < .05$). Investing in the community will cost the utilizing business less to implement then they will generate in return. This result fits within Elkington (1999) and Freeman's (1984) framework while providing context and reinforces their theories.

Limitations of the Study

Limitations found while conducting this study fell into four distinct categories: Internal and external validity, objectivity, and reliability. Internal validity was identified as the degree to which observed outcomes represent reality in the data being studied (Patino & Ferreira, 2018). Studies that fail to adequately account for internal validity will deviate from the study and be rendered extraneous (Patino & Ferreira, 2018). Whereas internal validity focuses on the study's data and construction, external validity focuses on how the study results affect those for which the research was intended (Patino & Ferreira, 2018). Increasing both internal and external validity was essential for research integrity and for overcoming limitations within this study. Careful preparation and quality control drove internal validity. Data gathering, data analysis techniques, and proper study sample size were critical for increasing internal validity (Patino & Ferreira, 2018). Comprehensive inclusion standards that mirrored the study's intended population improved external validity. Research reliability centered on the consistency of the measurement tools and their results (Phelan & Wren, 2006). Stability within the statistical results ensured that the research was valid and useful in presenting this study's findings. The final limitation facing this study was objectivity. Objectivity happens when the researcher remains

neutral while conducting and analyzing each component of the study. Doing this helped reduce research bias and increase the validity of the study (Payne & Payne, 2004).

Internal Validity

This research's nonlongitudinal nature can be a threat to its internal validity. This study relied on the 2018 fiscal year for its measures. Using only one year of data provided just a snapshot in time. A longitudinal study could provide a complete examination of the relationship between CSR and corporate financial performance (CFP). Without long term research that focuses on many years' worth of data, a direct CSR link could not be definitively established (Gaille, 2020). A nonlongitudinal study was not undertaken because of the nature of the S&P 500 index. The S&P 500 index had an approximately 25 percent turnover rate between the years 2014 – 2018 (S&P Dow Jones Indices, 2019). Not being able to examine the same businesses year over year made a longitudinal study of the S&P 500 problematic. This issue also caused concerns when determining CSR's effect on social change. With only one year of data analyzed, social change could only be estimated based on the significance level of each research sample. A correlation could influence the direction corporate managers take when developing policies that affect social change. Additional long-range research may need to be completed to reinforce the results of this study.

External Validity

The primary external limitation facing this study was that of CSR relevancy based on organizational size. The S&P 500 index contains only the top two market capitalization tiers, as represented in Table 3. Research conducted for this study utilized a large dataset that is representative of approximately 80% of all U.S. economic market capitalization (S&P Dow Jones Indices, 2019; United States, 2019). With nearly 80% of U.S. market capitalization

accounted for, the results of this study could be interpreted for the whole of the U.S. firms. Without incorporating other indexes such as the S&P 400 mid-cap and S&P 600 small-cap into this study, an actual evaluation of CSR's influence on corporate finance may not fully be completed. Because of the enormity of the data contained within all S&P indexes, a comprehensive study was outside the scale of this study. The S&P 500 was chosen as it aligned and expanded on previous works by Lim (2017) and Stanly (2011). The study's market capitalization represented approximately 80% of the U.S. market. With 4/5 of the U.S. market capitalization represented, the S&P 500 index provided the most external validity of this study.

Reliability

Both the dependent and independent data points must be properly calculated and interpreted using regression analysis. SPSS software was utilized to ensure calculation accuracy. The reliability of the regression calculation is only as good as the inputs entered into the software. The reliability of this study depended on two primary components: CSRHub's ratings and the S&P 500 data. Though CSRHub has taken detailed steps to ensure reliability, its data inputs are aggregated from other rating agencies. The only way to ensure complete reliability would be to develop a proprietary rating scale and examine each organization's CSR initiatives individually before providing classification and rating. With the production of a proprietary rating system time prohibiting, CSRHub's selection provided the best alternative for the most reliable information.

CSRHub's reliability was improved by the collection and investigating of any data related to each of the four independent variables: of four primary categories: (a) community, (b) employee, (c) environment, (d) and governance, calculated by CSRHub ESG index. CSRHub's indexes have been analyzed for credibility by previous researchers (Anderson, 2019; Kruse,

2019; Barny, 2018) and found reliable for use in measuring CSR. CSRHub was selected for this study based on their proprietary system of assimilating and standardizing 186 million data sets from over 618 data sources (About CSRHub, 2019). Included within the CSRHub's ratings are leading SRI and ESG organizations such as Institutional Shareholder Services, MSCI, Trucost, and Vigeo EIRIS (About CSRHub, 2019). CSRHub positioned itself to provide a reliable rating methodology. A five-step approach was utilized to ensure validity: (a) Developed proprietary rating scale; (b) Standardized ratings scale from multiple rating agencies so they would be compatible with CSRHub proprietary scale; (c) Standardized ESG rating by creating four primary categories and twelve subcategories; (d) Provides continually updated data; (e) Incorporated all subsidiaries into their parent companies when rating (About CSRHub, 2019).

Objectivity

Research bias is a concerned with all postpositivist research designed studies. It was assumed that all data provided from outside agencies such as CSRHub and each S&P 500 companies was reported accurate and without attempt to deceive. Secondary data proves only as accurate as it is collected and reported by the outside agencies. The rating agency's reputation was relied upon when selecting the most accurate and trustworthy organization.

Data availability and continuity has proven to be a limitation to this study. There have been a wide range of CSR based studies that have utilized proprietary rating agencies. The two most common that were found during the literature review process were CSRHub and MSCI. CSRHub was chosen because they are a leader in environment, social, and governance (ESG) reporting. Selecting the CSRHub rating agency provided continuity with studies such as Anderson, (2019) Lin, Hung, Chou, and Lai, (2019), and Mardonov (2017). Those studies that utilized MSCI or one of the many other rating agencies may provide different results.

Recommendations

Review of the research results has generated the potential need for further studies. Three recommendations have been included for further study. The first recommendation is to have consistency in measurement type and source. Throughout the literature review process there have been many different sources used as rating agencies. After careful review agencies such as CSRHub and MSCI were found to be encompassing and well-constructed. Other agencies that have been used do not offer the reputation, breadth, or scope need to ensure validity. I encourage others studying this topic to utilize one of the two primary CSR research agencies, CSRHub or MSCI. The more research that is completed using these resources, the more accurate and relevant the result will become.

The second recommendation is focuses on debt levels associated with CSR policies. The sole significant positive correlation that was found during this study came when examining D/E to CSR. Finding more data regarding debts effect on CSR is important in understanding the complete picture of CSR effect on corporate finance. Do debt levels increase because of CSR policies, or are they the result of other actions?

The last recommendation is to replicate this same study within indexes that contain small and medium organization based on market capitalization. Using indexes such as the S&P Small-Cap 600 and S&P Mid-Cap 400 (market capitalization found in table 3) could provide a more breadth of knowledge that could be used within combination of this study to determine the full extent of CSR's influence on corporate finances. It might also help to determine what market size, and in turn which stakeholders, are most influenced by a CSR policy.

Implications

The importance of social change is not solely exclusive to S&P 500 organizations. Change can start from the smallest to the largest business. CSR has long been associated with large and mega cap organizations with equally as big financial abilities. The results of this study have shown that social change through CSR is not always correlated with a company's financial performance. Programs that do not result in a profit often fall victim to cuts. The importance of these type of programs cannot be undervalued. Without a direct link to their benefits, future CSR policies may fail to materialize. The outcomes of this study found limited significant correlations between CSR and a firm's financial performance. With previous studies results inconclusive, the likelihood of a top manger utilizing a CSR policy to influence organizational financial performance continues to be in doubt.

Results from this study provide an expansion of information related to stakeholder theory (Freeman, 1984) and triple bottom line theory (Elkington, 1999). The continued mix of results discovered when utilizing these theories may lead to the next step in CSR evolution. This evolution may result in a CSR program that benefits both stakeholders and the organization from both a micro and macro level. Focusing on the small scale may work to build up the goodwill needed to make a significant financial impact.

One area of promise is the significant finding that a CSR policy focusing on the community can reduce an organizations D/E. Communities are directly affected by business activities. By investing in activities that provide goodwill in their local community, a business can not only improve their D/E, but also improve the quality of life within that community. If this proven relationship is added into the theoretical assumption that CSR focus on a micro scale, then perhaps a significant correlation can be obtained.

Conclusions

The idea of CSR and its implications on financial performance has been debated ever since stakeholder (Freeman, 1984) and triple bottom line (Elkington, 1999) theories were introduced. Top corporate decision makers have had to decide whether not utilizing a corporate social responsibility (CRS) strategy would result in losing customers and if lost customers would have a direct impact on a firm's financial performance. Previous studies have provided mixed results while trying to substantiate these theories. Information gleaned from this study provides a more complete understanding on the effects of short- and long-term profits and organizational debt level as they relate to CSR initiatives. This research provides new information that can now be used by corporate decision makers interested in introducing or expanding CSR based policies.

An organization's CSR engagement affects more than just business financials. CSR initiatives affects all stakeholders who are influenced by the policies. Community, environmental, employment and governance initiatives provide programs designed to improve the quality of stakeholders' lives. Corporations must balance the cost of these programs with financial benefits. If a corporation overextends themselves implementing a CSR programs it may have a damaging effect that compromise the business's health and cause the opposite of its intended effect. The importance of research focusing on CSR and its impact on financial performance will assist corporate decision makers in selecting the best decision possible for their company and stakeholders.

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Appendix A: Random Company and Data Selection Tables

Table A1

Communication Services

Company	Industry	Overall
ATVI - Activision Blizzard	Communication Services	49
CBS – CBS	Communication Services	47
CHTR - Charter Communications	Communication Services	42
CMCSA – Comcast	Communication Services	51
CTL – CenturyLink	Communication Services	51
DIS – Disney	Communication Services	56
DISCA – Discovery	Communication Services	47
DISCK - Discovery Communications	Communication Services	47
DISH - DISH Network	Communication Services	41
EA - Electronic Arts	Communication Services	53
FB – Facebook	Communication Services	50
FOX – Fox	Communication Services	44
FOXA – Fox	Communication Services	44
GOOG – Alphabet	Communication Services	56
GOOGL – Alphabet	Communication Services	56
IPG - Interpublic Group Of	Communication Services	52
NFLX – Netflix	Communication Services	57
NWS – News	Communication Services	45
NWSA – News	Communication Services	45
OMC - Omnicom Group	Communication Services	50
T - AT&T	Communication Services	56
TMUS - T-Mobile US	Communication Services	67
TRIP – TripAdvisor	Communication Services	43
TTWO - Take-Two Interactive Software	Communication Services	44
TWTR – Twitter	Communication Services	43
VIAB – Viacom	Communication Services	53
VZ – Verizon	Communication Services	56
	MEAN	49.81481
	MEDIAN	50

Note: Overall rating scores values found in table A13.

Table A2

Consumer Discretionary Table

Company	Industry	Overall
AAP - Advance Auto Parts	Consumer Discretionary	49
AMZN – Amazon	Consumer Discretionary	50
APTV – Aptiv	Consumer Discretionary	52
AZO – AutoZone	Consumer Discretionary	47
BBY - Best Buy	Consumer Discretionary	62
BKNG - Booking Holdings	Consumer Discretionary	46
BWA – BorgWarner	Consumer Discretionary	50
CCL – Carnival	Consumer Discretionary	52
CMG - Chipotle Mexican Grill	Consumer Discretionary	50
CPRI - Capri Holdings	Consumer Discretionary	43
DG - Dollar General	Consumer Discretionary	45
DHI - D.R Horton	Consumer Discretionary	46
DLTR - Dollar Tree	Consumer Discretionary	43
DRI - Darden Restaurants	Consumer Discretionary	59
EBAY – Ebay	Consumer Discretionary	56
EXPE – Expedia	Consumer Discretionary	46
F - Ford Motor	Consumer Discretionary	56
GM - General Motors	Consumer Discretionary	57
GPC - Genuine Parts	Consumer Discretionary	44
GPS – Gap	Consumer Discretionary	59
GRMN – Garmin	Consumer Discretionary	48
HAS – Hasbro	Consumer Discretionary	61
HBI – Hanesbrands	Consumer Discretionary	47
HD - Home Depot	Consumer Discretionary	56
HLT - Hilton Worldwide Holdings	Consumer Discretionary	56
HOG - Harley-Davidson	Consumer Discretionary	52
HRB - H&R Block	Consumer Discretionary	49
JWN – Nordstrom	Consumer Discretionary	58
KMX – CarMax	Consumer Discretionary	49
KSS - Kohl's	Consumer Discretionary	51
LB - L Brands	Consumer Discretionary	54
LEG - Leggett & Platt Inc.	Consumer Discretionary	49
LEN – Lennar	Consumer Discretionary	44
LKQ – LKQ	Consumer Discretionary	45
LOW - Lowe's	Consumer Discretionary	56

M - Macy's	Consumer Discretionary	47
MAR – Marriott	Consumer Discretionary	52
MCD - McDonald's	Consumer Discretionary	53
MGM - MGM Resorts	Consumer Discretionary	55
MHK - Mohawk Industries	Consumer Discretionary	52
NCLH - Norwegian Cruise Line Holdings	Consumer Discretionary	54
NKE – NIKE	Consumer Discretionary	61
NVR – NVR	Consumer Discretionary	45
NWL - Newell Brands	Consumer Discretionary	51
ORLY - O'Reilly Automotive Inc.	Consumer Discretionary	46
PHM – PulteGroup	Consumer Discretionary	47
PVH – PVH	Consumer Discretionary	55
RCL - Royal Caribbean Cruises	Consumer Discretionary	52
RL - Ralph Lauren	Consumer Discretionary	52
ROST - Ross Stores	Consumer Discretionary	50
SBUX – Starbucks	Consumer Discretionary	57
TGT – Target	Consumer Discretionary	58
TIF – Tiffany	Consumer Discretionary	59
TJX – TJX	Consumer Discretionary	56
TPR – Tapestry	Consumer Discretionary	55
TSCO - Tractor Supply	Consumer Discretionary	52
UA - Under Armour	Consumer Discretionary	53
UAA - Under Armour	Consumer Discretionary	53
ULTA - Ulta Beauty	Consumer Discretionary	50
VFC - V.F	Consumer Discretionary	54
WHR – Whirlpool	Consumer Discretionary	55
WYNN - Wynn Resorts	Consumer Discretionary	48
YUM - Yum! Brands	Consumer Discretionary	53
	MEAN	51.77778
	MEDIAN	52

Note: Overall rating scores values found in table A13.

Table A3

Consumer Staples

Company	Industry	Overall
ADM - Archer Daniels Midland	Consumer Staples	51
BFB - Brown-Forman	Consumer Staples	56
CAG - Conagra Brands	Consumer Staples	55
CHD - Church & Dwight	Consumer Staples	54
CL - Colgate-Palmolive	Consumer Staples	60
CLX – Clorox	Consumer Staples	63
COST – Costco	Consumer Staples	51
COTY – Coty	Consumer Staples	45
CPB - Campbell Soup	Consumer Staples	60
EL - Estee Lauder	Consumer Staples	56
GIS - General Mills	Consumer Staples	61
HRL - Hormel Foods	Consumer Staples	56
HSY – Hershey	Consumer Staples	56
K – Kellogg	Consumer Staples	58
KHC - Kraft Heinz	Consumer Staples	46
KMB - Kimberly-Clark	Consumer Staples	58
KO - Coca-Cola	Consumer Staples	42
KR – Kroger	Consumer Staples	55
LW - Lamb Weston Holdings	Consumer Staples	51
MDLZ – Mondelez	Consumer Staples	53
MKC - McCormick & Co.	Consumer Staples	51
MNST - Monster Beverage	Consumer Staples	59
MO – Altria	Consumer Staples	55
PEP – PepsiCo	Consumer Staples	60
PG - Procter & Gamble	Consumer Staples	57
PM - Philip Morris	Consumer Staples	48
SJM - J M Smucker	Consumer Staples	52
STZ - Constellation Brands Inc	Consumer Staples	49
SYY – Sysco	Consumer Staples	53
TAP - Molson Coors Brewing	Consumer Staples	58
TSN - Tyson Foods	Consumer Staples	48
WBA – Walgreens	Consumer Staples	53
WMT – Walmart	Consumer Staples	51
	MEAN	53.9697
	MEDIAN	55

Note: Overall rating scores values found in table A13.

Table A4

Energy

Company	Industry	Overall
APA – Apache	Energy	53
BKR - Baker Hughes	Energy	50
COG - Cabot Oil & Gas	Energy	45
COP – ConocoPhillips	Energy	55
CVX – Chevron	Energy	49
CXO - Concho Resources	Energy	46
DVN - Devon Energy	Energy	50
EOG - EOG Resources	Energy	50
FANG - Diamondback Energy	Energy	39
FTI – TechnipFMC	Energy	63
HAL – Halliburton	Energy	50
HES – Hess	Energy	55
HFC – HollyFrontier	Energy	49
HP - Helmerich & Payne	Energy	44
KMI - Kinder Morgan	Energy	45
MPC - Marathon Petroleum	Energy	56
MRO - Marathon Oil	Energy	61
NBL - Noble Energy	Energy	49
NOV - National Oilwell Varco	Energy	48
OKE – ONEOK	Energy	53
OXY - Occidental Petroleum	Energy	51
PSX - Phillips 66	Energy	48
PXD - Pioneer Natural Resources	Energy	48
SLB – Schlumberger	Energy	54
VLO - Valero Energy	Energy	46
WMB – Williams	Energy	48
XEC - Cimarex Energy Co	Energy	47
XOM – Exxon	Energy	45
	MEAN	49.89286
	MEDIAN	49

Note: Overall rating scores values found in table A13.

Table A5

Financials

Company	Industry	Overall
AFL – Aflac	Financials	54
AIG – American	Financials	51
AIZ – Assurant	Financials	50
AJG - Arthur J Gallagher	Financials	48
ALL – Allstate	Financials	56
AMG - Affiliated Managers	Financials	60
AMP - Ameriprise Financial	Financials	51
AON – Aon	Financials	53
AXP - American Express	Financials	58
BAC - Bank of America	Financials	60
BBT - BB&T	Financials	54
BEN - Franklin Resources	Financials	52
BK - Bank Of New York Mellon	Financials	58
BLK – BlackRock	Financials	54
BRK.B - Berkshire Hathaway	Financials	39
C – Citigroup	Financials	59
CB – Chubb	Financials	52
CBOE - Cboe Global Markets Inc	Financials	44
CFG - Citizens Financial	Financials	49
CINF - Cincinnati Financial	Financials	46
CMA – Comerica	Financials	57
CME - CME Group	Financials	52
COF - Capital One Financial	Financials	56
DFS - Discover Financial Services	Financials	53
ETFC - E*TRADE Financial	Financials	48
FITB - Fifth Third Bancorp	Financials	56
FRC - First Republic Bank	Financials	48
GL - Globe Life	Financials	47
GS - Goldman Sachs	Financials	53
HBAN - Huntington Bancshares	Financials	54
HIG - Hartford Financial Services	Financials	56
ICE - Intercontinental Exchange	Financials	53
IVZ – Invesco	Financials	53
JPM - JPMorgan Chase	Financials	57
KEY – KeyCorp	Financials	58
L – Loews	Financials	44

LNC - Lincoln National	Financials	56
MCO - Moody's	Financials	54
MET – MetLife	Financials	56
MKTX - MarketAxess Holdings	Financials	56
MMC - Marsh & McLennan	Financials	48
MS - Morgan Stanley	Financials	54
MSCI - MSCI Inc	Financials	55
MTB - M&T Bank	Financials	58
NDAQ – Nasdaq	Financials	45
NTRS - Northern Trust	Financials	57
PBCT - People's United Financial	Financials	46
PFG - Principal Financial	Financials	55
PGR – Progressive	Financials	53
PNC - PNC Financial Services	Financials	61
PRU - Prudential Financial	Financials	58
RE - Everest Re Group	Financials	45
RF - Regions Financial	Financials	56
RJF - Raymond James Financial	Financials	49
SCHW - Charles Schwab	Financials	53
SIVB - SVB Financial Group	Financials	48
SPGI - S&P Global	Financials	60
STI - SunTrust Banks	Financials	48
STT - State Street	Financials	59
SYF - Synchrony Financial	Financials	52
TROW - T Rowe Price	Financials	57
TRV – Travelers	Financials	55
UNM - Unum Group	Financials	57
USB - U.S Bancorp	Financials	54
WFC - Wells Fargo	Financials	55
WLTW - Willis Towers Watson Public	Financials	49
ZION - Zions Bancorporation, N.A	Financials	48
	MEAN	52.98507
	MEDIAN	54

Note: Overall rating scores values found in table A13.

Table A6

Healthcare

Company	Industry	Overall
A - Agilent Technologies	Health Care	60
ABBV – AbbVie	Health Care	59
ABC – AmerisourceBergen	Health Care	54
ABMD – ABIOMED	Health Care	48
ABT - Abbott Laboratories	Health Care	59
AGN – Allergan	Health Care	51
ALGN - Align Technology	Health Care	47
ALXN - Alexion Pharmaceuticals	Health Care	48
AMGN – Amgen	Health Care	60
ANTM – Anthem	Health Care	52
BAX – Baxter	Health Care	58
BDX - Becton Dickinson	Health Care	62
BIIB – Biogen	Health Care	59
BMY - Bristol-Myers Squibb	Health Care	57
BSX - Boston Scientific	Health Care	56
CAH - Cardinal Health	Health Care	56
CERN – Cerner	Health Care	52
CI – Cigna	Health Care	58
CNC – Centene	Health Care	48
COO – Cooper	Health Care	43
CVS - CVS Health	Health Care	57
DGX - Quest Diagnostics	Health Care	55
DHR – Danaher	Health Care	51
DVA – DaVita	Health Care	52
EW - Edwards Lifesciences	Health Care	59
GILD - Gilead Sciences	Health Care	59
HCA - HCA Healthcare	Health Care	49
HOLX – Hologic	Health Care	49
HSIC - Henry Schein	Health Care	50
HUM – Humana	Health Care	59
IDXX - IDEXX Laboratories	Health Care	50
ILMN – Illumina	Health Care	51
INCY – Incyte	Health Care	48
IQV - IQVIA Holdings	Health Care	50
ISRG - Intuitive Surgical	Health Care	48
JNJ - Johnson & Johnson	Health Care	62

LH - Laboratory of America Holdings	Health Care	49
LLY - Eli Lilly	Health Care	58
MCK – McKesson	Health Care	48
MDT – Medtronic	Health Care	53
MRK – Merck	Health Care	47
MTD - Mettler-Toledo	Health Care	48
MYL – Mylan	Health Care	53
NKTR – Nektar	Health Care	60
PFE – Pfizer	Health Care	56
PKI – PerkinElmer	Health Care	54
PRGO – Perrigo	Health Care	51
REGN - Regeneron Pharmaceuticals	Health Care	52
RMD – ResMed	Health Care	54
SYK – Stryker	Health Care	51
TFX – Teleflex	Health Care	47
TMO - Thermo Fisher Scientific	Health Care	56
UHS - Universal Health Services	Health Care	42
UNH - UnitedHealth Group	Health Care	53
VAR - Varian Medical Systems	Health Care	54
VRTX - Vertex Pharmaceuticals	Health Care	49
WAT – Waters	Health Care	51
WCG - WellCare Health Plans	Health Care	49
XRAY - DENTSPLY SIRONA	Health Care	52
ZBH - Zimmer Biomet Holdings	Health Care	51
ZTS – Zoetis	Health Care	51
	MEAN	52.86885
	MEDIAN	52

Note: Overall rating scores values found in table A13.

Table A7

Industrials

Company	Industry	Overall
AAL - American Airlines Group	Industrials	52
ALK - Alaska Air	Industrials	51
ALLE – Allegion	Industrials	47
AME – AMETEK	Industrials	42
AOS - A O Smith	Industrials	48
ARNC – Arconic	Industrials	51
BA – Boeing	Industrials	55
CAT – Caterpillar	Industrials	55
CHRW - C.H Robinson Worldwide	Industrials	47
CMI – Cummins	Industrials	58
CPRT – Copart	Industrials	43
CSX – CSX	Industrials	56
CTAS – Cintas	Industrials	51
DAL - Delta Air Lines	Industrials	53
DE – Deere	Industrials	55
DOV – Dover	Industrials	46
EFX – Equifax	Industrials	44
EMR - Emerson Electric	Industrials	55
ETN – Eaton	Industrials	59
EXPD - Expeditors of Washington	Industrials	49
FAST – Fastenal	Industrials	48
FBHS - Fortune Brands Home & Security	Industrials	49
FDX – FedEx	Industrials	53
FLS – Flowserve	Industrials	53
FTV – Fortive	Industrials	46
GD - General Dynamics	Industrials	48
GE - General Electric	Industrials	57
GWW - W.W Grainger	Industrials	58
HII - Huntington Ingalls Industries	Industrials	48
HON – Honeywell	Industrials	52
IEX – IDEX	Industrials	49
INFO - IHS Markit	Industrials	55
IR - Ingersoll-Rand	Industrials	58
ITW - Illinois Tool Works	Industrials	53
JBHT - J.B Hunt Transport Services	Industrials	44

JCI - Johnson Controls	Industrials	61
JEC - Jacobs Engineering Group	Industrials	51
KSU - Kansas City Southern	Industrials	55
LHX - L3Harris Technologies Inc	Industrials	49
LMT - Lockheed Martin	Industrials	58
LUV - Southwest Airlines	Industrials	53
MAS – Masco	Industrials	51
MMM - 3M	Industrials	55
NLSN - Nielsen Holdings Plc	Industrials	60
NOC - Northrop Grumman	Industrials	59
NSC - Norfolk Southern	Industrials	55
PCAR – PACCAR	Industrials	48
PH - Parker-Hannifin	Industrials	50
PNR – Pentair	Industrials	50
PWR - Quanta Services	Industrials	48
RHI - Robert Half	Industrials	52
ROK - Rockwell Automation	Industrials	58
ROL – Rollins	Industrials	47
ROP - Roper Technologies	Industrials	47
RSG - Republic Services	Industrials	52
RTN – Raytheon	Industrials	59
SNA - Snap-On	Industrials	47
SWK - Stanley Black & Decker	Industrials	53
TDG - Transdigm Group	Industrials	40
TXT – Textron	Industrials	49
UAL - United Airlines Holdings Inc	Industrials	49
UNP - Union Pacific	Industrials	53
UPS – UPS	Industrials	56
URI - United Rentals	Industrials	55
UTX - United Technologies	Industrials	57
VRSK - Verisk Analytics	Industrials	53
WAB – Wabtec	Industrials	46
WM - Waste Management	Industrials	55
XYL – Xylem	Industrials	57
	MEAN	51.82609
	MEDIAN	52

Note: Overall rating scores values found in table A13.

Table A8

Information Technology

Company	Industry	Overall
AAPL – Apple	Information Technology	58
ACN – Accenture	Information Technology	64
ADBE – Adobe	Information Technology	59
ADI - Analog Devices	Information Technology	55
ADP – ADP	Information Technology	59
ADS - Alliance Data Systems	Information Technology	52
ADSK – Autodesk	Information Technology	58
AKAM - Akamai Technologies	Information Technology	54
AMAT - Applied Materials	Information Technology	60
AMD – AMD	Information Technology	55
ANET - Arista Networks	Information Technology	48
ANSS – ANSYS	Information Technology	51
APH – Amphenol	Information Technology	46
AVGO – Broadcom	Information Technology	46
BR - Broadridge Financial Solutions	Information Technology	49
CDNS - Cadence Design Systems	Information Technology	49
CDW – CDW	Information Technology	51
CRM - Salesforce, Inc	Information Technology	57
CSCO – Cisco	Information Technology	63
CRM - Salesforce, Inc	Information Technology	58
CTSH - Cognizant Technology Solutions	Information Technology	54
CTXS - Citrix Systems	Information Technology	54
DXC - DXC Technology	Information Technology	55
FFIV - F5 Networks	Information Technology	49
FIS - Fidelity National Information Services	Information Technology	47
FISV – Fiserv	Information Technology	47
FLIR - FLIR Systems	Information Technology	45
FLT - FleetCor Technologies	Information Technology	43
FTNT – Fortinet	Information Technology	50
GLW – Corning	Information Technology	55
GPN - Global Payments	Information Technology	44
HPE - Hewlett Packard Enterprise	Information Technology	57
HPQ – HP	Information Technology	63
IBM – IBM	Information Technology	60

INTC – Intel	Information Technology	62
INTU – Intuit	Information Technology	61
IPGP - IPG Photonics	Information Technology	46
IT – Gartner	Information Technology	50
JKHY - Jack Henry & Associates	Information Technology	48
JNPR - Juniper Networks	Information Technology	55
KEYS - Keysight Technologies	Information Technology	57
KLAC – KLA	Information Technology	54
LDOS - Leidos Holdings	Information Technology	58
LRCX - Lam Research	Information Technology	55
MA – Mastercard	Information Technology	53
MCHP - Microchip Technology	Information Technology	56
MSFT – Microsoft	Information Technology	48
MSI - Motorola Solutions	Information Technology	66
MU - Micron Technology	Information Technology	57
MXIM - Maxim Integrated Products	Information Technology	50
NLOK - Norton	Information Technology	59
NOW – ServiceNow	Information Technology	47
NTAP – NetApp	Information Technology	54
NVDA – NVIDIA	Information Technology	59
ORCL – Oracle	Information Technology	54
PAYX – Paychex	Information Technology	46
PYPL - PayPal Holdings	Information Technology	51
QCOM – QUALCOMM	Information Technology	57
QRVO – Qorvo	Information Technology	48
SNPS – Synopsys	Information Technology	48
STX - Seagate Technology	Information Technology	54
SWKS - Skyworks Solutions	Information Technology	48
TEL - TE Connectivity	Information Technology	58
TXN - Texas Instruments	Information Technology	62
V – Visa	Information Technology	59
VRSN – VeriSign	Information Technology	48
WDC - Western Digital	Information Technology	52
WU - Western Union	Information Technology	49
XLNX – Xilinx	Information Technology	53
XRX – Xerox	Information Technology	60
	MEAN	53.67143
	MEDIAN	54

Note: Overall rating scores values found in table A13.

Table A9

Materials

Company	Industry	Overall
ALB – Albemarle	Materials	50
AMCR – Amcor	Materials	59
APD - Air Products and Chemicals	Materials	55
AVY - Avery Dennison	Materials	52
BLL – Ball	Materials	56
CE – Celanese	Materials	56
CF - CF Industries Holdings	Materials	51
DD - DuPont De Nemours	Materials	56
DOW - Dow Inc.	Materials	52
ECL – Ecolab	Materials	58
EMN - Eastman Chemical	Materials	54
FCX - Freeport-McMoRan	Materials	50
FMC – FMC	Materials	53
IFF - International Flavors & Fragrances	Materials	57
IP - International Paper	Materials	55
LIN – Linde	Materials	59
LYB - LyondellBasell Industries	Materials	44
MLM - Martin Marietta Materials	Materials	47
MOS – Mosaic	Materials	55
NEM - Newmont Goldcorp	Materials	54
NUE – Nucor	Materials	48
PKG - Packaging of America	Materials	48
PPG - PPG Industries	Materials	52
SEE - Sealed Air	Materials	50
SHW - Sherwin-Williams	Materials	53
VMC - Vulcan Materials	Materials	51
WRK – WestRock	Materials	48
	MEAN	52.7037
	MEDIAN	53

Note: Overall rating scores values found in table A13.

Table A10

Real Estate

Company	Industry	Overall
AIV - Apartment Investment and Management	Real Estate	47
AMT - American Tower (REIT)	Real Estate	50
ARE - Alexandria Real Estate Equities	Real Estate	48
AVB - AvalonBay Communities	Real Estate	57
BXP - Boston Properties	Real Estate	54
CBRE – CBRE	Real Estate	61
CCI - Crown Castle	Real Estate	45
DLR - Digital Realty Trust	Real Estate	50
DRE - Duke Realty	Real Estate	52
EQIX – Equinix	Real Estate	52
EQR - Equity Residential	Real Estate	53
ESS - Essex Property Trust	Real Estate	48
EXR - Extra Space Storage Inc	Real Estate	47
FRT - Federal Realty Investment Trust	Real Estate	48
HST - Host Hotels & Resorts	Real Estate	57
IRM - Iron Mountain	Real Estate	55
KIM - Kimco Realty	Real Estate	52
MAA - Mid-America Apartment Communities	Real Estate	59
MAC – Macerich	Real Estate	48
O - Realty Income	Real Estate	48
PEAK - Healthpeak Properties	Real Estate	54
PLD – Prologis	Real Estate	55
PSA - Public Storage	Real Estate	50
REG - Regency Centers	Real Estate	54
SBAC - SBA Communications	Real Estate	48
SLG - SL Green Realty	Real Estate	49
SPG - Simon Property	Real Estate	50
UDR - United Dominion Realty Trust	Real Estate	49
VNO - Vornado Realty Trust	Real Estate	49
VTR – Ventas	Real Estate	58
WELL – Welltower	Real Estate	50
WY – Weyerhaeuser	Real Estate	59
	MEAN	51.75
	MEDIAN	50

Note: Overall rating scores values found in table A13.

Table A11

Utilities

Company	Industry	Overall
AEE – Ameren	Utilities	55
AEP - American Electric Power	Utilities	56
AES – AES	Utilities	56
ATO - Atmos Energy	Utilities	46
AWK - American Water Works	Utilities	57
CMS - CMS Energy	Utilities	57
CNP - CenterPoint Energy	Utilities	52
D - Dominion Energy	Utilities	57
DTE - DTE Energy	Utilities	53
DUK - Duke Energy	Utilities	52
ED - Consolidated Edison Inc	Utilities	55
EIX – Edison	Utilities	59
ES - Eversource Energy	Utilities	57
ETR – Entergy	Utilities	58
EVRG – Evergy	Utilities	46
EXC – Exelon	Utilities	60
FE – FirstEnergy	Utilities	48
LNT - Alliant Energy	Utilities	56
NEE - NextEra Energy	Utilities	50
NI – NiSource	Utilities	46
NRG - NRG Energy	Utilities	52
PEG - Public Service Enterprise Group	Utilities	59
PNW - Pinnacle West Capital	Utilities	50
PPL – PPL	Utilities	56
SO – Southern	Utilities	56
SRE - Sempra Energy	Utilities	59
WEC - WEC Energy	Utilities	58
XEL - Xcel Energy	Utilities	58
	MEAN	54.42857
	MEDIAN	56

Note: Overall rating scores values found in table A13.

Table A12

Industry Sector by Mean and Median

Industry Sector	Mean	Industry Sector	Median
Utilities	54.42857	Utilities	56
Consumer Staples	53.96969	Consumer Staples	55
Information Technology	53.67142	Information Technology	54
Financials	52.98507	Financials	54
Health Care	52.86885	Materials	53
Materials	52.7037	Industrials	52
Industrials	51.82608	Health Care	52
Consumer Discretionary	51.77777	Consumer Discretionary	52
Real Estate	51.75	Real Estate	50
Energy	49.89285	Communication Services	50
Communication Services	49.814814	Energy	49

Note: Overall rating scores values found in table A13.

Table A13

Overall Rating Key

0-20	Significantly Below Average
21-40	Below Average
41-60	Average
61-80	Above Average
81-100	Significantly Above Average

Note: Overall rating scores determined by CSRHub with zero representing absolutely no CSR based policies and 100 representing the sole purpose for conducting business.

Table A14

Random Company and Data Selection Table

1	Date	Company	D/E	ROA	NPM	Community	Employees	Environment	Governance
2	10/31/2018	A - Agilent Technologies	0.39	3.68	6.43	57	64	67	54
3	12/31/2018	AAL - American Airlines Group	-125.3	2.58	3.17	48	65	50	54
4	12/31/2018	AAP - Advance Auto Parts	0.3	4.78	4.43	46	55	48	44
5	12/31/2018	AAPL – Apple	0.79	16.33	22.72	50	58	69	61
6	12/31/2018	ABBV – AbbVie	-4.14	8.87	17.36	50	67	63	58
7	12/31/2018	ABC - AmerisourceBergen	1.43	3.1	0.69	45	61	56	56
8	12/31/2018	ABMD – ABIOMED	0	25.8	30.12	46	53	41	47
9	12/31/2018	ABT - Abbott Laboratories	0.63	3.41	7.74	50	67	63	57
10	11/30/2018	ACN – Accenture	0	17.27	10.1	57	64	74	66
11	11/30/2018	ADBE – Adobe	0.44	16.11	28.68	52	64	70	57
12	10/31/2018	ADI - Analog Devices	0.56	7.3	24.21	51	63	58	45
13	12/31/2018	ADM - Archer Daniels Midland	0.41	4.52	2.81	44	54	53	56
14	12/31/2018	ADP – ADP	0.42	4.69	13.49	51	60	55	64
15	12/31/2018	ADS - Alliance Data Systems	6.77	3.25	12.37	45	58	56	49
16	10/31/2018	ADSK – Autodesk	-4.69	-8.16	-13.36	53	62	67	55
17	12/31/2018	AEE – Ameren	1.01	3.05	12.96	48	60	50	61
18	12/31/2018	AEP - American Electric Power	1.14	2.86	11.87	52	59	52	59
19	12/31/2018	AES – AES	3.15	3.7	11.21	50	60	54	60
20	12/31/2018	AFL – Aflac	0.25	2.06	13.42	47	56	58	57
21	12/31/2018	AGN – Allergan	0.35	-4.79	-32.58	43	52	58	57
22	12/31/2018	AIG – American	0.6	0	-0.01	41	58	54	53
23	12/31/2018	AIV - Apartment Investment and Management	2.49	10.44	67.59	44	52	51	43
24	12/31/2018	AIZ – Assurant	0.39	0.59	2.93	41	58	53	50
25	12/31/2018	AJG - Arthur J Gallagher	0.68	3.91	9.14	46	54	47	43
26	12/31/2018	AKAM - Akamai Technologies	0.27	5.66	11.01	47	58	65	53
27	12/31/2018	ALB – Albemarle	0.37	9.2	20.56	45	53	42	56
28	12/31/2018	ALGN - Align Technology	0	20.83	20.35	43	52	41	47

29	12/31/2018	ALK - Alaska Air	0.43	4	5.29	47	62	40	45
30	12/31/2018	ALL – Allstate	0.33	1.86	5.28	48	61	63	55
31	12/31/2018	ALLE – Allegion	2.16	16.11	15.92	46	48	45	50
32	12/31/2018	ALXN - Alexion Pharmaceuticals	0.31	0.57	1.89	47	52	47	45
33	10/31/2018	AMAT - Applied Materials	0.78	17.99	19.2	54	53	62	63
34	6/30/2018	AMCR – Amcor	0	7.92	4.88	53	62	62	62
35	12/31/2018	AMD – AMD	0.88	8.04	5.2	48	63	60	52
36	12/31/2018	AME – AMETEK	0.54	9.44	16.05	41	46	41	40
37	12/31/2018	AMG - Affiliated Managers	0.44	2.88	10.26	50	72	49	65
38	12/31/2018	AMGN – Amgen	2.36	12.32	35.35	53	63	67	61
39	12/31/2018	AMP - Ameriprise Financial	0.83	1.47	16.35	44	57	54	51
40	12/31/2018	AMT - American Tower (REIT)	3.12	3.67	16.5	41	61	49	47
41	12/31/2018	AMZN – Amazon	0.54	7.11	4.33	40	57	52	53
42	12/31/2018	ANET - Arista Networks	0.02	11.58	15.2	45	48	49	52
43	12/31/2018	ANSS – ANSYS	0	13.58	32.41	48	54	53	49
44	12/31/2018	ANTM – Anthem	0.6	5.11	4.07	42	56	56	56
45	12/31/2018	AON – Aon	1.42	4.24	10.53	47	57	57	52
46	12/31/2018	AOS - A O Smith	0.13	14.48	13.96	46	53	45	44
47	12/31/2018	APA – Apache	0.92	0.18	0.54	46	57	52	59
48	12/31/2018	APD - Air Products and Chemicals	0.3	8.9	18.92	50	62	50	54
49	12/31/2018	APH – Amphenol	0.69	12.46	14.7	41	50	50	45
50	12/31/2018	APTV – Aptiv	1.1	8.59	7.39	44	48	70	57
51	12/31/2018	ARE - Alexandria Real Estate Equities	0.7	2.65	27.43	39	56	57	41
52	12/31/2018	ARNC – Arconic	1.07	3.54	4.65	44	59	51	51
53	12/31/2018	ATO - Atmos Energy	0.58	3.77	14.37	42	49	43	51
54	12/31/2018	ATVI - Activision Blizzard	0.23	10.22	24.17	49	53	44	45
55	12/31/2018	AVB - AvalonBay Communities	0.66	5.24	42.67	49	62	62	56
56	10/31/2018	AVGO – Broadcom	0.66	23.35	58.8	42	53	45	43
57	12/31/2018	AVY - Avery Dennison	1.86	9	6.54	49	56	57	46

58	12/31/2018	AWK - American Water Works	1.29	2.76	16.48	54	62	59	52
59	12/31/2018	AXP - American Express	2.62	3.66	15.68	46	65	64	59
60	11/30/2018	AZO – AutoZone	-3.11	14.99	12.49	48	42	48	51
61	12/31/2018	BA – Boeing	25.99	9.11	10.34	46	59	64	56
62	12/31/2018	BAC - Bank of America	0.94	1.15	24.14	50	63	69	55
63	12/31/2018	BAX – Baxter	0.44	9.85	14.6	49	66	66	56
64	12/31/2018	BBT - BB&T	0.87	1.37	23.57	48	60	51	55
65	10/31/2018	BBY - Best Buy	0.43	8.39	2.52	52	67	65	68
66	12/31/2018	BDX - Becton Dickinson	0.83	1.66	5.25	52	66	68	65
67	12/31/2018	BEN - Franklin Resources	0.07	10.42	26.23	42	55	63	53
68	10/31/2018	BFB - Brown-Forman	1.53	14.84	22.79	51	63	59	52
69	12/31/2018	BIIB – Biogen	0.46	17.58	32.94	52	62	65	62
70	12/31/2018	BK - Bank Of New York Mellon	0.87	1.13	21.18	50	62	65	58
71	12/31/2018	BKNG - Booking Holdings	1.12	16.42	27.52	36	52	44	48
72	12/31/2018	BKR - Baker Hughes	0.18	0.36	0.85	48	50	61	47
73	12/31/2018	BLK – BlackRock	0.79	2.31	30.32	44	60	59	55
74	12/31/2018	BLL – Ball	1.83	2.66	3.9	50	64	62	49
75	12/31/2018	BMY - Bristol-Myers Squibb	0.4	14.64	21.81	47	64	62	59
76	12/31/2018	BR - Broadridge Financial Solutions	1.06	13.1	10.26	46	47	56	54
77	12/31/2018	BRK.B - Berkshire Hathaway	0	0.56	1.62	41	41	43	32
78	12/31/2018	BSX - Boston Scientific	0.55	8.33	17.01	45	63	66	57
79	12/31/2018	BWA - BorgWarner	0.45	9.4	8.84	43	52	65	50
80	12/31/2018	BXP - Boston Properties	1.37	2.87	21.1	46	55	66	57
81	12/31/2018	C – Citigroup	1.3	0.87	17.17	49	65	69	59
82	11/30/2018	CAG - Conagra Brands	1.58	5.47	9.08	46	59	59	59
83	12/31/2018	CAH - Cardinal Health	1.26	-0.1	-0.03	47	62	58	57
84	12/31/2018	CAT – Caterpillar	1.78	7.84	11.23	51	59	60	52
85	12/31/2018	CB – Chubb	0.24	2.36	12.11	50	52	53	55
86	12/31/2018	CBOE - Cboe Global Markets Inc	0.28	7.99	15.2	42	48	43	42
87	12/31/2018	CBRE – CBRE	0.35	8.36	4.98	56	66	63	58
88	12/31/2018	CBS – CBS	3.38	9.34	13.5	42	54	53	39

89	12/31/2018	CCI - Crown Castle	1.38	1.72	10.29	38	55	41	43
90	11/30/2018	CCL – Carnival	0.32	7.51	16.69	47	58	52	50
91	12/31/2018	CDNS - Cadence Design Systems	0.27	14.14	16.14	46	50	48	52
92	12/31/2018	CDW – CDW	3.26	8.9	3.96	46	54	49	54
93	12/31/2018	CE – Celanese	0.88	12.47	16.87	49	59	52	62
94	12/31/2018	CERN – Cerner	0.09	9.48	11.72	46	53	55	57
95	12/31/2018	CF - CF Industries Holdings	0.82	2.22	6.55	47	55	39	58
96	12/31/2018	CFG - Citizens Financial	0.8	1.08	23.01	44	56	45	47
97	12/31/2018	CHD - Church & Dwight	0.62	9.53	13.72	50	56	60	53
98	12/31/2018	CHRW - C.H Robinson Worldwide	0.84	15.02	3.99	45	49	49	45
99	12/31/2018	CHTR - Charter Communications	1.57	0.84	2.82	38	52	39	36
100	12/31/2018	CI – Cigna	0.96	2.91	5.42	48	64	62	60
101	12/31/2018	CINF - Cincinnati Financial	0.11	1.31	5.31	43	46	55	45
102	12/31/2018	CL - Colgate-Palmolive	32.25	19	15.44	56	63	68	58
103	12/31/2018	CLX – Clorox	3.08	15.31	12.65	58	68	68	61
104	12/31/2018	CMA – Comerica	0.86	1.71	34.13	49	65	63	54
105	12/31/2018	CMCSA – Comcast	1.48	8.05	12.41	42	56	60	52
106	12/31/2018	CME - CME Group	0.15	2.73	45.52	47	62	51	46
107	12/31/2018	CMG - Chipotle Mexican Grill	0	8.07	3.62	44	54	53	50
108	12/31/2018	CMI – Cummins	0.19	11.36	9.01	51	62	66	59
109	12/31/2018	CMS - CMS Energy	2.23	2.78	9.56	52	61	56	59
110	12/31/2018	CNC – Centene	0.6	3.1	1.5	45	51	54	42
111	12/31/2018	CNP - CenterPoint Energy	1.37	1.42	3.14	50	54	49	55
112	12/31/2018	COF - Capital One Financial	1.13	1.56	17.64	46	61	66	59
113	12/31/2018	COG - Cabot Oil & Gas	0.59	12.85	25.42	40	46	50	50
114	10/31/2018	COO – Cooper	0.6	2.24	5.53	42	46	43	39
115	12/31/2018	COP - ConocoPhillips	0.46	8.93	16.16	50	59	53	58
116	11/30/2018	COST – Costco	0.48	8	2.25	44	53	60	51
117	12/31/2018	COTY – Coty	0.99	-5.46	-13.58	44	51	42	41
118	10/31/2018	CPB - Campbell Soup	5.65	1.38	2.52	58	61	62	59

119	12/31/2018	CPRI - Capri Holdings	0.86	12.51	11.19	43	45	36	45
120	10/31/2018	CPRT – Copart	0.24	20.18	24.58	40	44	48	45
121	10/31/2018	CRM - Salesforce, Inc	0.22	3.92	7.61	51	61	64	56
122	10/31/2018	CSCO – Cisco	0.42	1.1	2.52	60	65	72	59
123	10/31/2018	CRM - Salesforce, Inc	0.22	3.92	7.61	51	61	64	56
124	12/31/2018	CSX – CSX	1.17	8.95	27.01	53	52	62	61
125	11/30/2018	CTAS – Cintas	0.84	13.21	14.14	49	53	57	49
126	12/31/2018	CTL - CenturyLink	1.79	-2.37	-7.39	44	55	42	53
127	12/31/2018	CTSH - Cognizant Technology Solutions	0.06	13.77	13.03	52	52	65	51
128	12/31/2018	CTXS - Citrix Systems	1.35	10.93	19.37	49	62	56	46
129	12/31/2018	CVS - CVS Health	1.22	-0.4	-0.31	51	59	68	57
130	12/31/2018	CVX – Chevron	0.19	5.79	8.91	40	58	42	51
131	12/31/2018	CXO - Concho Resources	0.22	11.25	54.66	43	51	40	45
132	12/31/2018	D - Dominion Energy	1.41	3.13	18.31	57	63	38	59
133	12/31/2018	DAL - Delta Air Lines	1.03	6.99	8.86	46	62	48	53
134	12/31/2018	DD - DuPont De Nemours	0.13	2.04	4.47	54	57	59	56
135	10/31/2018	DE – Deere	2.41	3.43	6.34	51	61	58	52
136	12/31/2018	DFS - Discover Financial Services	2.58	2.56	20.93	43	58	56	56
137	10/31/2018	DG - Dollar General	0.46	14.24	7.24	38	52	42	45
138	12/31/2018	DGX - Quest Diagnostics	0.65	6.75	9.73	47	61	63	52
139	12/31/2018	DHI - D.R Horton	0.36	11.24	9.59	44	50	46	45
140	12/31/2018	DHR – Danaher	0.34	5.56	13.33	41	59	42	53
141	12/31/2018	DIS – Disney	0.32	11.09	18.46	46	60	63	57
142	12/31/2018	DISCA – Discovery	1.48	1.78	5.63	44	56	44	41
143	12/31/2018	DISCK - Discovery Communications	1.48	1.78	5.63	44	56	44	41
144	12/31/2018	DISH - DISH Network	1.61	5.23	11.57	37	47	48	35
145	12/31/2018	DLR - Digital Realty Trust	1.16	1.13	8.17	48	53	53	48
146	10/31/2018	DLTR - Dollar Tree	0	10.83	7.65	42	44	49	40
147	12/31/2018	DOV – Dover	1.06	6.36	8.15	40	47	54	47
148	12/31/2018	DOW - Dow Inc.	0.69	5.86	6.23	44	61	46	55
149	12/31/2018	DRE - Duke Realty	0.56	5.03	40.46	46	59	52	52

150	11/30/2018	DRI - Darden Restaurants	0.41	12.06	8.14	55	59	62	63
151	12/31/2018	DTE - DTE Energy	1.13	3.21	7.88	47	57	54	56
152	12/31/2018	DUK - Duke Energy	1.17	1.88	10.87	46	59	52	52
153	12/31/2018	DVA – DaVita	2.09	0.83	1.39	45	57	58	51
154	12/31/2018	DVN - Devon Energy	0.47	12.48	28.54	47	54	48	50
155	12/31/2018	DXC - DXC Technology	0.53	5.11	7.33	54	55	65	49
156	12/31/2018	EA - Electronic Arts	0.19	16.6	26.77	44	58	54	57
157	12/31/2018	EBAY – Ebay	1.22	10.65	23.54	47	57	64	63
158	12/31/2018	ECL – Ecolab	0.78	7.12	9.73	54	57	65	61
159	12/31/2018	ED - Consolidated Edison Inc	1.04	2.74	11.2	47	60	60	54
160	12/31/2018	EFX – Equifax	0.83	4.2	8.79	39	50	42	42
161	12/31/2018	EIX – Edison	1.16	-0.79	-3.34	58	60	57	60
162	12/31/2018	EL - Estee Lauder	0.78	12.9	11.49	51	57	69	56
163	12/31/2018	EMN - Eastman Chemical	1.01	6.65	10.64	47	60	49	58
164	12/31/2018	EMR - Emerson Electric	0.32	11.23	12.83	50	62	56	53
165	12/31/2018	EOG - EOG Resources	0.27	10.49	19.8	42	55	51	55
166	12/31/2018	EQIX – Equinix	1.51	1.82	7.22	47	57	61	48
167	12/31/2018	EQR - Equity Residential	0.85	3.2	25.36	49	56	61	51
168	12/31/2018	ES - Eversource Energy	1.07	2.75	12.23	54	58	59	57
169	12/31/2018	ESS - Essex Property Trust	0.88	3.11	27.86	45	53	52	42
170	12/31/2018	ETFC - E*TRADE Financial	0.24	1.57	33.47	43	55	44	45
171	12/31/2018	ETN – Eaton	0.42	6.74	9.93	50	65	65	59
172	12/31/2018	ETR – Entergy	1.76	1.77	7.7	54	65	52	59
173	12/31/2018	EVRG – Evergy	0.67	2.39	12.56	42	47	44	51
174	12/31/2018	EW - Edwards Lifesciences	0.19	12.69	19.41	53	59	65	65
175	12/31/2018	EXC – Exelon	1.04	1.7	5.59	52	66	60	61
176	12/31/2018	EXPD - Expeditors of Washington	0	19.05	7.61	45	51	54	50
177	12/31/2018	EXPE – Expedia	0.66	2.08	3.62	46	59	42	34
178	12/31/2018	EXR - Extra Space Storage Inc	1.73	5.37	34.62	42	52	55	40
179	12/31/2018	F - Ford Motor	2.8	1.41	2.29	52	62	62	47
180	12/31/2018	FANG - Diamondback Energy	0.32	6.97	38.88	28	37	37	47

181	12/31/2018	FAST – Fastenal	0.22	23.79	15.14	45	51	51	46
182	12/31/2018	FB – Facebook	0	23.97	39.6	41	56	57	48
183	12/31/2018	FBHS - Fortune Brands Home & Security	0.83	6.67	7.11	46	50	55	47
184	12/31/2018	FCX - Freeport-McMoRan	0.62	6.77	13.97	46	50	49	56
185	11/30/2018	FDX – FedEx	0.85	9.5	7.23	47	54	60	54
186	12/31/2018	FE – FirstEnergy	2.63	2.5	8.71	49	51	48	44
187	12/31/2018	FFIV - F5 Networks	0	18.8	22.78	45	54	45	49
188	12/31/2018	FIS - Fidelity National Information Services	0.85	3.53	10.04	47	52	43	44
189	12/31/2018	FISV – Fiserv	2.6	11.2	20.38	40	53	48	47
190	12/31/2018	FITB - Fifth Third Bancorp	0.97	1.49	26.56	50	57	60	59
191	12/31/2018	FLIR - FLIR Systems	0.23	10.25	15.93	45	46	42	43
192	12/31/2018	FLS – Flowserve	0.85	2.55	3.1	48	55	62	53
193	12/31/2018	FLT - FleetCor Technologies	0.82	7.09	33.36	42	44	45	43
194	12/31/2018	FMC – FMC	0.67	5.12	10.62	50	60	51	48
195	12/31/2018	FOX – Fox	0	31.75	12.45	37	44	54	46
196	12/31/2018	FOXA – Fox	0	31.75	12.45	37	44	54	46
197	12/31/2018	FRC - First Republic Bank	1.34	0.84	22.27	44	52	46	50
198	12/31/2018	FRT - Federal Realty Investment Trust	1.4	3.72	25.57	43	52	60	44
199	12/31/2018	FTI - TechnipFMC	0.4	-7.18	-15.3	57	71	66	58
200	12/31/2018	FTNT – Fortinet	0	12.31	18.49	46	54	50	49
201	12/31/2018	FTV – Fortive	0.45	23.31	44.61	44	50	48	42
202	12/31/2018	GD - General Dynamics	0.98	7.57	9.24	45	46	55	50
203	12/31/2018	GE - General Electric	1.73	-6.89	-18.75	51	61	60	56
204	12/31/2018	GILD - Gilead Sciences	1.19	8.43	24.65	51	65	61	59
205	11/30/2018	GIS - General Mills	1.75	7.14	12.47	54	65	64	62
206	12/31/2018	GL - Globe Life	0.25	3.03	16.31	44	50	48	46
207	12/31/2018	GLW – Corning	0.52	3.62	8.57	49	62	50	55
208	12/31/2018	GM - General Motors	1.71	3.56	5.38	51	62	61	55
209	12/31/2018	GOOG - Alphabet	0.02	14.08	22.46	49	62	68	51
210	12/31/2018	GOOGL - Alphabet	0.02	14.08	22.46	49	62	68	51
211	12/31/2018	GPC - Genuine Parts	0.7	6.4	4.33	39	47	43	46
212	12/31/2018	GPN - Global Payments	1.2	3.45	13.39	40	49	44	44

213	10/31/2018	GPS – Gap	0.36	11.74	5.57	54	64	66	56
214	12/31/2018	GRMN – Garmin	0	13.64	20.71	46	50	51	47
215	12/31/2018	GS - Goldman Sachs	2.84	1.03	26.93	46	62	61	46
216	12/31/2018	GWW - W.W Grainger	1	13.15	6.92	53	60	65	57
217	12/31/2018	HAL - Halliburton	1.08	6.45	6.9	46	55	53	48
218	12/31/2018	HAS – Hasbro	0.97	4.29	4.83	56	66	65	59
219	12/31/2018	HBAN - Huntington Bancshares	0.87	1.25	25.1	45	61	56	57
220	12/31/2018	HBI - Hanesbrands	3.64	7.51	8.13	47	51	60	46
221	12/31/2018	HCA - HCA Healthcare	-10.98	9.95	8.11	44	52	53	49
222	12/31/2018	HD - Home Depot	17.68	23.12	10	48	61	60	56
223	12/31/2018	HES – Hess	0.61	-1.52	-5.19	50	62	53	55
224	12/31/2018	HFC - HollyFrontier	0.37	9.79	6.18	41	55	44	55
225	12/31/2018	HIG - Hartford Financial Services	0.33	1.8	9.5	46	61	59	59
226	12/31/2018	HII - Huntington Ingalls Industries	0.85	13.2	10.23	46	54	39	48
227	12/31/2018	HLT - Hilton Worldwide Holdings	13.02	5.42	8.58	53	61	57	54
228	12/31/2018	HOG - Harley-Davidson	2.76	5.06	9.29	50	51	59	51
229	12/31/2018	HOLX – Hologic	1.18	-5.87	-12.83	44	56	51	46
230	12/31/2018	HON - Honeywell	0.53	11.25	16.18	47	53	55	55
231	12/31/2018	HP - Helmerich & Payne	0.11	0.02	0.04	39	48	44	44
232	10/31/2018	HPE - Hewlett Packard Enterprise	0.48	3.25	6.18	53	56	67	59
233	10/31/2018	HPQ – HP	-7.08	15.64	9.11	57	63	69	68
234	10/31/2018	HRB - H&R Block	-47.61	21.56	17.89	47	48	43	59
235	10/31/2018	HRL - Hormel Foods	0.11	12.75	10.59	51	63	54	55
236	12/31/2018	HSIC - Henry Schein	0.28	6.56	4.05	42	54	49	56
237	12/31/2018	HST - Host Hotels & Resorts	0.51	8.99	19.68	49	60	64	61
238	12/31/2018	HSY – Hershey	2.31	15.56	15.12	49	63	62	54
239	12/31/2018	HUM – Humana	0.43	5.58	2.96	51	63	62	61
240	12/31/2018	IBM – IBM	2.1	7.09	10.97	56	65	67	53
241	12/31/2018	ICE - Intercontinental Exchange	0.38	2.31	39.93	52	53	56	54

242	12/31/2018	IDXX - IDEXX Laboratories	-65.13	24.84	17.04	49	52	48	48
243	12/31/2018	IEX – IDEX	0.43	11.72	16.51	44	53	46	54
244	12/31/2018	IFF - International Flavors & Fragrances	0.75	4.23	8.47	52	63	59	56
245	12/31/2018	ILMN – Illumina	0.23	13.16	24.78	46	55	54	48
246	12/31/2018	INCY – Incyte	0.01	4.42	5.79	45	54	48	43
247	11/30/2018	INFO - IHS Markit	0.61	3.54	13.54	51	56	62	53
248	12/31/2018	INTC – Intel	0.34	16.49	29.72	58	65	66	60
249	10/31/2018	INTU – Intuit	0.14	26.32	22.26	53	63	68	66
250	12/31/2018	IP - International Paper	1.36	5.95	8.63	47	60	57	59
251	12/31/2018	IPG - Interpublic Group Of	1.51	4.61	6.37	43	59	56	54
252	12/31/2018	IPGP - IPG Photonics	0.02	15.94	27.74	45	48	43	44
253	12/31/2018	IQV - IQVIA Holdings	1.57	1.14	2.49	45	55	53	46
254	12/31/2018	IR - Ingersoll-Rand	0.53	7.33	8.53	49	65	64	55
255	12/31/2018	IRM - Iron Mountain	4.3	3.07	8.62	52	57	60	55
256	12/31/2018	ISRG - Intuitive Surgical	0	15.88	30.31	39	55	43	53
257	12/31/2018	IT – Gartner	2.49	1.94	3.07	46	57	48	47
258	12/31/2018	ITW - Illinois Tool Works	1.85	16.57	17.36	49	52	57	57
259	12/31/2018	IVZ – Invesco	0.85	2.68	16.11	46	56	60	54
260	12/31/2018	JBHT - J.B Hunt Transport Services	0	10.41	5.69	41	48	46	43
261	12/31/2018	JCI - Johnson Controls	0.45	4.66	9.71	54	66	67	59
262	12/31/2018	JEC - Jacobs Engineering Group	0.46	2.25	2.4	48	54	60	45
263	12/31/2018	JKHY - Jack Henry & Associates	0	14.55	18.88	43	53	44	49
264	12/31/2018	JNJ - Johnson & Johnson	0.46	9.86	18.75	56	67	70	59
265	12/31/2018	JNPR - Juniper Networks	0.37	6.19	12.2	53	59	59	49
266	12/31/2018	JPM - JPMorgan Chase	1.22	1.18	23.37	49	65	66	51
267	10/31/2018	JWN – Nordstrom	2.23	5.59	2.9	50	62	63	59
268	12/31/2018	K – Kellogg	2.6	7.58	9.86	53	60	60	60
269	12/31/2018	KEY – KeyCorp	0.97	1.3	24.35	51	59	64	61
270	10/31/2018	KEYS - Keysight Technologies	0.53	2.79	4.25	53	58	59	58
271	12/31/2018	KHC - Kraft Heinz	0.59	-8.75	-38.8	43	47	52	46

272	12/31/2018	KIM - Kimco Realty	0.9	3.85	37.03	46	57	63	47
273	12/31/2018	KLAC – KLA	1.25	25.28	33.02	49	57	64	51
274	12/31/2018	KMB - Kimberly-Clark	-135.8	9.56	7.63	54	66	58	50
275	12/31/2018	KMI - Kinder Morgan	0.98	1.88	10.47	41	52	39	44
276	11/30/2018	KMX – CarMax	3.93	4.3	4.3	44	55	47	50
277	12/31/2018	KO - Coca-Cola	1.33	7.29	20.2	43	42	43	41
278	10/31/2018	KR – Kroger	1.53	9.96	2.98	50	60	63	49
279	10/31/2018	KSS - Kohl's	0.7	7.47	4.87	44	55	57	51
280	12/31/2018	KSU - Kansas City Southern	0.52	6.73	23.1	51	58	54	58
281	12/31/2018	L – Loews	0.53	0.8	4.52	43	50	38	39
282	10/31/2018	LB - L Brands	-4.43	9.8	5.82	49	60	56	50
283	12/31/2018	LDOS - Leidos Holdings	0.92	6.57	5.7	46	64	63	62
284	12/31/2018	LEG - Leggett & Platt Inc.	1.01	8.58	7.16	45	53	54	47
285	11/30/2018	LEN – Lennar	0.58	5.94	8.17	46	46	43	38
286	12/31/2018	LH - Laboratory of America Holdings	0.87	5.34	7.8	45	54	48	49
287	12/31/2018	LHX - L3Harris Technologies Inc	1	6.39	13.29	41	51	58	53
288	12/31/2018	LIN – Linde	0.22	11.39	29.4	53	65	54	61
289	12/31/2018	LKQ – LKQ	0.87	4.35	4.04	40	50	44	44
290	12/31/2018	LLY - Eli Lilly	0.84	7.38	13.16	51	64	60	56
291	12/31/2018	LMT - Lockheed Martin	8.7	11.08	9.39	53	61	63	58
292	12/31/2018	LNC - Lincoln National	0.41	0.56	9.99	48	60	62	56
293	12/31/2018	LNT - Alliant Energy	1.14	3.44	14.49	48	65	51	57
294	10/31/2018	LOW - Lowe's	2.68	9.99	5.17	52	59	59	57
295	12/31/2018	LRCX - Lam Research	0.31	24.25	26.69	49	60	63	51
296	12/31/2018	LUV - Southwest Airlines	0.45	9.38	11.22	45	60	52	55
297	11/30/2018	LW - Lamb Weston Holdings	-13.9	16.82	13.31	38	42	48	52
298	12/31/2018	LYB - LyondellBasell Industries	0.83	16.91	12.02	39	51	38	56
299	10/31/2018	M - Macy's	0.97	8.77	6.61	47	63	53	48
300	12/31/2018	MA – Mastercard	1.08	25.03	39.19	50	63	66	60
301	12/31/2018	MAA - Mid-America Apartment Communities	0.71	1.92	13.94	43	58	47	42
302	12/31/2018	MAC – Macerich	1.56	0.66	6.24	45	59	62	47
303	12/31/2018	MAR – Marriott	3.83	7.96	9.19	41	59	60	50
304	12/31/2018	MAS – Masco	43.06	13.1	8.7	45	58	54	58

305	12/31/2018	MCD - McDonald's	-4.97	17.77	28.17	51	54	67	58
306	12/31/2018	MCHP - Microchip Technology	2.04	2.04	6.53	44	54	49	43
307	12/31/2018	MCK – McKesson	0.81	-0.52	-0.15	45	61	57	55
308	12/31/2018	MCO - Moody's	7.96	14.65	29.46	50	60	52	49
309	12/31/2018	MDLZ - Mondelez	0.49	5.32	13.03	50	54	60	50
310	10/31/2018	MDT – Medtronic	0.48	2.48	7.44	47	63	66	51
311	12/31/2018	MET – MetLife	0.26	0.71	7.33	46	61	60	54
312	12/31/2018	MGM - MGM Resorts	1.44	1.5	3.78	43	57	54	55
313	12/31/2018	MHK - Mohawk Industries	0.2	6.66	8.59	47	56	54	48
314	11/30/2018	MKC - McCormick & Co.	1.27	9.05	17.27	47	62	55	59
315	12/31/2018	MKTX - MarketAxess Holdings	0	27.15	39.77	44	46	49	54
316	12/31/2018	MLM - Martin Marietta Materials	0.55	4.98	11.05	47	52	42	46
317	12/31/2018	MMC - Marsh & McLennan	0.73	7.74	11.04	48	61	61	50
318	12/31/2018	MMM - 3M	1.36	14.35	16.33	49	67	58	61
319	12/31/2018	MNST - Monster Beverage	0	21.26	26.08	58	57	48	54
320	12/31/2018	MO – Altria	0.81	14.9	27.42	58	57	48	54
321	12/31/2018	MOS – Mosaic	0.42	2.31	4.9	51	65	50	52
322	12/31/2018	MPC - Marathon Petroleum	0.61	4.48	2.88	37	56	40	50
323	10/31/2018	MRK – Merck	0.74	7.34	14.71	53	69	63	59
324	12/31/2018	MRO - Marathon Oil	0.45	5.06	18.57	46	60	53	59
325	12/31/2018	MS - Morgan Stanley	2.6	0.95	20.5	47	59	65	54
326	12/31/2018	MSCI - MSCI Inc	-15.47	14.19	35.43	42	57	34	51
327	12/31/2018	MSFT - Microsoft	0.82	13.14	28.31	61	68	73	65
328	12/31/2018	MSI - Motorola Solutions	-4.15	10.64	13.16	56	60	63	55
329	12/31/2018	MTB - M&T Bank	0.59	1.55	28.44	46	53	48	41
330	12/31/2018	MTD - Mettler-Toledo	1.67	19.99	17.44	52	59	60	57
331	11/30/2018	MU - Micron Technology	0.11	34.49	46.82	46	57	52	45
332	12/31/2018	MXIM - Maxim Integrated Products	0.57	16.38	28.71	47	58	52	55
333	12/31/2018	MYL – Mylan	1.17	1.05	3.09	43	54	50	49

334	12/31/2018	NBL - Noble Energy	0.63	-0.3	-1.32	48	54	58	62
335	12/31/2018	NCLH - Norwegian Cruise Line Holdings	0.97	6.33	15.77	38	49	45	51
336	12/31/2018	NDAQ – Nasdaq	0.54	2.98	10.71	43	57	53	46
337	12/31/2018	NEE - NextEra Energy	0.72	6.77	39.68	51	59	55	52
338	12/31/2018	NEM - Newmont Goldcorp	0.32	1.66	4.7	52	61	52	63
339	12/31/2018	NFLX – Netflix	1.98	5.26	7.67	41	54	59	40
340	12/31/2018	NI – NiSource	1.46	-0.32	-1.29	54	68	60	63
341	11/30/2018	NKE – NIKE	0.4	9.55	5.66	55	64	69	57
342	4/1/2018	NKTR – Nektar	4.79	-31.42	-19		na	na	Na
343	12/31/2018	NLOK - Norton	0.75	-0.38	-1.48	56	62	65	57
344	12/31/2018	NLSN - Nielsen Holdings Plc	2.72	-4.35	-10.93	52	64	59	64
345	12/31/2018	NOC - Northrop Grumman	1.7	8.74	10.73	53	61	67	59
346	12/31/2018	NOV - National Oilwell Varco	0.18	-0.16	-0.37	42	50	55	51
347	12/31/2018	NOW - ServiceNow	0.6	-0.74	-1.04	42	47	49	54
348	12/31/2018	NRG - NRG Energy	-5.23	1.56	2.83	46	56	52	55
349	12/31/2018	NSC - Norfolk Southern	0.69	7.36	23.22	49	57	56	62
350	10/31/2018	NTAP – NetApp	0.75	3.6	5.43	50	56	59	54
351	12/31/2018	NTRS - Northern Trust	0.35	1.13	22.38	51	65	57	55
352	12/31/2018	NUE – Nucor	0.42	13.54	9.38	46	53	43	46
353	10/31/2018	NVDA – NVIDIA	0.21	38.13	37.79	54	66	64	54
354	12/31/2018	NVR – NVR	0.33	26.32	11.13	43	48	42	47
355	12/31/2018	NWL - Newell Brands	-1.28	-26.16	-80.14	47	50	61	54
356	12/31/2018	NWS – News	0.09	-8.38	-13.12	43	43	60	44
357	12/31/2018	NWSA – News	0.09	-8.38	-13.12	43	43	60	44
358	12/31/2018	O - Realty Income	0.8	2.44	27.33	41	56	52	43
359	12/31/2018	OKE – ONEOK	1.35	6.63	9.14	48	57	53	53
360	12/31/2018	OMC - Omnicom Group	1.41	5.72	8.67	44	56	55	46
361	11/30/2018	ORCL – Oracle	1.66	2.93	9.7	49	56	69	51
362	12/31/2018	ORLY - O'Reilly Automotive Inc.	9.66	16.92	12.97	41	52	48	44
363	12/31/2018	OXY - Occidental Petroleum	0.48	9.37	23.08	46	54	51	55
364	11/30/2018	PAYX – Paychex	0	14.79	30.39	44	50	44	52

365	12/31/2018	PBCT - People's United Financial	0.53	1.01	23.61	47	48	42	43
366	12/31/2018	PCAR – PACCAR	0.75	8.91	9.34	47	52	52	43
367	12/31/2018	PEAK - Healthpeak Properties	0.86	7.94	57.28	45	61	64	51
368	12/31/2018	PEG - Public Service Enterprise Group	0.92	3.25	14.83	54	65	57	56
369	12/31/2018	PEP – PepsiCo	1.94	16.05	19.35	57	61	61	61
370	12/31/2018	PFE – Pfizer	0.52	6.79	20.79	48	61	64	53
371	12/31/2018	PFG - Principal Financial	0.29	0.61	10.87	47	62	55	58
372	12/31/2018	PG - Procter & Gamble	0.4	8.9	16.12	52	61	61	56
373	12/31/2018	PGR - Progressive	0.43	5.87	8.11	46	61	48	55
374	12/31/2018	PH - Parker-Hannifin	0.74	9.04	9.69	47	51	58	48
375	12/31/2018	PHM - PulteGroup	0.63	10.17	9.92	46	49	45	47
376	12/31/2018	PKG - Packaging of America	0.94	11.47	10.43	43	52	46	50
377	12/31/2018	PKI - PerkinElmer	0.73	3.98	8.57	48	61	55	50
378	12/31/2018	PLD – Prologis	0.43	4.84	58.63	48	63	63	50
379	12/31/2018	PM - Philip Morris	-2.51	19.38	26.65	40	52	58	46
380	12/31/2018	PNC - PNC Financial Services	1.1	1.32	25.21	55	63	68	62
381	12/31/2018	PNR – Pentair	0.43	6.7	11.73	46	47	60	54
382	12/31/2018	PNW - Pinnacle West Capital	0.87	2.92	13.84	50	57	54	58
383	12/31/2018	PPG - PPG Industries	0.92	8	8.72	46	58	53	49
384	12/31/2018	PPL – PPL	1.72	4.26	23.47	51	62	52	56
385	12/31/2018	PRGO – Perrigo	0.54	1.17	2.77	48	56	55	45
386	12/31/2018	PRU - Prudential Financial	0.35	0.5	6.47	50	59	65	62
387	12/31/2018	PSA - Public Storage	0.28	13.83	54.07	44	55	58	45
388	12/31/2018	PSX - Phillips 66	0.41	10.31	5.02	37	59	40	54
389	10/31/2018	PVH – PVH	0.51	5.91	7.2	51	62	56	49
390	12/31/2018	PWR - Quanta Services	0.29	4.24	2.63	42	57	42	45
391	12/31/2018	PXD - Pioneer Natural Resources	0.19	5.51	10.33	37	53	47	55
392	12/31/2018	PYPL - PayPal Holdings	0	4.81	13.31	46	56	54	48
393	12/31/2018	QCOM - QUALCOMM	4.25	4.32	9.74	53	60	62	56
394	12/31/2018	QRVO – Qorvo	0.16	0.99	1.92	44	54	45	48

395	12/31/2018	RCL - Royal Caribbean Cruises	0.75	7.05	19.08	47	56	55	53
396	12/31/2018	RE - Everest Re Group	0.08	0.43	1.4	41	46	44	51
397	12/31/2018	REG - Regency Centers	0.58	2.25	22.3	48	63	62	46
398	12/31/2018	REGN - Regeneron Pharmaceuticals	0.08	23.35	36.41	53	55	57	45
399	12/31/2018	RF - Regions Financial	0.87	1.36	26.43	48	59	60	59
400	12/31/2018	RHI - Robert Half	0	22.35	7.48	47	58	53	50
401	12/31/2018	RJF - Raymond James Financial	0.48	2.66	12.78	45	55	47	46
402	12/31/2018	RL - Ralph Lauren	0.21	7.21	6.94	47	58	55	50
403	12/31/2018	RMD – ResMed	0.61	13.34	18.37	47	58	59	53
404	12/31/2018	ROK - Rockwell Automation	0.97	13.88	12.67	53	65	62	52
405	12/31/2018	ROL – Rollins	0	21.28	12.79	46	53	38	44
406	12/31/2018	ROP - Roper Technologies	0.64	6.3	18.18	46	47	51	45
407	10/31/2018	ROST - Ross Stores	0.1	26.66	10.68	45	56	52	46
408	12/31/2018	RSG - Republic Services	0.96	4.86	10.33	46	56	49	55
409	12/31/2018	RTN – Raytheon	0.47	9.38	10.75	51	63	64	63
410	12/31/2018	SBAC - SBA Communications	-2.66	0.66	2.57	43	54	43	49
411	12/31/2018	SBUX - Starbucks	-3.17	15.36	11.98	52	60	65	56
412	12/31/2018	SCHW - Charles Schwab	0.39	1.23	32.86	46	60	59	47
413	12/31/2018	SEE - Sealed Air	-9.28	3.85	4.06	46	48	58	54
414	12/31/2018	SHW - Sherwin-Williams	2.33	5.58	6.32	45	55	58	57
415	12/31/2018	SIVB - SVB Financial Group	0.13	1.74	35.87	45	49	49	49
416	10/31/2018	SJM - J M Smucker	0.73	8.16	17.52	47	59	56	45
417	12/31/2018	SLB - Schlumberger	0.4	3.03	6.52	49	57	57	53
418	12/31/2018	SLG - SL Green Realty	0.91	1.75	18.97	44	52	64	44
419	12/31/2018	SNA - Snap-On	0.3	12.76	18.17	46	50	45	46
420	10/31/2018	SNPS – Synopsys	0.04	7.38	13.81	43	52	55	46
421	12/31/2018	SO – Southern	1.4	1.97	9.47	48	63	57	55
422	12/31/2018	SPG - Simon Property	6.21	7.89	43.07	45	54	61	43
423	12/31/2018	SPGI - S&P Global	5.35	21.43	31.29	54	64	66	59
424	12/31/2018	SRE - Sempra Energy	1.23	1.53	7.91	52	62	61	62

425	12/31/2018	STI - SunTrust Banks	0.68	1.27	25.58	42	58	43	46
426	12/31/2018	STT - State Street	0.53	0.99	18.58	49	65	68	61
427	12/31/2018	STX - Seagate Technology	2.24	18.22	14.77	48	57	62	53
428	11/30/2018	STZ - Constellation Brands Inc	1.02	13	38.45	41	58	56	41
429	12/31/2018	SWK - Stanley Black & Decker	0.54	3.04	4.33	49	55	61	52
430	12/31/2018	SWKS - Skyworks Solutions	0	23.75	29.94	47	54	46	43
431	12/31/2018	SYF - Synchrony Financial	1.64	2.75	15.29	43	62	45	55
432	12/31/2018	SYK – Stryker	0.72	15.28	26.12	41	60	58	48
433	12/31/2018	SYY – Sysco	3.7	8.05	2.48	50	53	59	52
434	12/31/2018	T - AT&T	0.86	3.78	11.34	50	59	66	53
435	12/31/2018	TAP - Molson Coors Brewing	0.65	3.68	10.36	56	64	59	50
436	12/31/2018	TDG - Transdigm Group	-7.5	6.96	20.58	36	42	43	40
437	12/31/2018	TEL - TE Connectivity	0.33	14.81	20.58	53	61	63	58
438	12/31/2018	TFX – Teleflex	0.82	3.24	8.25	43	50	48	48
439	10/31/2018	TGT – Target	1.1	7.93	4.28	51	60	68	61
440	10/31/2018	TIF – Tiffany	0.29	8.38	9.97	55	62	61	60
441	10/31/2018	TJX – TJX	0.43	21.64	7.98	49	60	60	58
442	12/31/2018	TMO - Thermo Fisher Scientific	0.64	5.26	12.06	46	62	64	57
443	12/31/2018	TMUS - T-Mobile US	1.18	4.06	6.67	58	65	61	57
444	12/31/2018	TPR – Tapestry	0.46	10.76	12.17	49	58	60	57
445	12/31/2018	TRIP - TripAdvisor	0	5.08	7	39	51	40	40
446	12/31/2018	TROW - T Rowe Price	0	22.79	33.37	48	65	58	57
447	12/31/2018	TRV – Travelers	0.29	2.41	8.27	47	62	52	60
448	12/31/2018	TSCO - Tractor Supply	0.26	16.91	6.72	49	51	57	55
449	12/31/2018	TSN - Tyson Foods	0.61	6.58	4.86	44	53	48	46
450	12/31/2018	TTWO - Take-Two Interactive Software	0	9.66	14.26	40	46	44	45
451	12/31/2018	TWTR – Twitter	0.26	13.27	39.6	37	48	41	46
452	12/31/2018	TXN - Texas Instruments	0.48	31.11	35.35	56	66	63	64
453	12/31/2018	TXT – Textron	0.68	8.36	8.75	42	57	50	46
454	12/31/2018	UA - Under Armour	0.35	-1.11	-0.91	45	60	52	53

455	12/31/2018	UAA - Under Armour	0.35	-1.11	-0.91	45	60	52	53
456	12/31/2018	UAL - United Airlines Holdings Inc	1.76	4.66	5.15	43	56	43	50
457	12/31/2018	UDR - United Dominion Realty Trust	1.23	2.6	19.1	45	56	55	42
458	12/31/2018	UHS - Universal Health Services	0.72	6.99	7.24	38	41	47	43
459	10/31/2018	ULTA - Ulta Beauty	0	21.11	9.97	41	50	44	48
460	12/31/2018	UNH - UnitedHealth Group	0.64	7.81	5.3	47	53	61	57
461	12/31/2018	UNM - Unum Group	0.35	0.84	4.52	50	59	57	62
462	12/31/2018	UNP - Union Pacific	1.03	10.16	26.13	49	49	61	62
463	12/31/2018	UPS – UPS	6.56	10.28	6.67	51	59	64	56
464	12/31/2018	URI - United Rentals	3.19	6.82	13.62	47	62	58	52
465	12/31/2018	USB - U.S Bancorp	0.91	1.46	26.32	48	57	63	54
466	12/31/2018	UTX - United Technologies	1.01	4.69	7.92	49	60	63	59
467	12/31/2018	V – Visa	0.58	15.47	50.61	52	64	63	58
468	12/31/2018	VAR - Varian Medical Systems	0	11.14	12.24	48	57	67	52
469	6/30/2018	VFC - V.F	0.58	6.96	9.87	49	58	62	52
470	12/31/2018	VIAB – Viacom	1.12	6.49	11.6	43	62	58	49
471	12/31/2018	VLO - Valero Energy	0.39	6.18	2.67	37	54	40	52
472	12/31/2018	VMC - Vulcan Materials	0.53	5.29	11.78	45	56	48	52
473	12/31/2018	VNO - Vornado Realty Trust	2.33	2.28	17.8	45	53	61	42
474	12/31/2018	VRSK - Verisk Analytics	0.99	9.97	25.01	50	56	60	47
475	12/31/2018	VRSN – VeriSign	-1.29	27.02	47.94	42	50	57	46
476	12/31/2018	VRTX - Vertex Pharmaceuticals	0.13	43.79	68.8	48	58	39	44
477	12/31/2018	VTR – Ventas	1.05	1.79	10.95	50	60	64	64
478	12/31/2018	VZ – Verizon	1.94	5.87	11.87	48	62	61	56
479	12/31/2018	WAB – Wabtec	1.32	3.82	6.74	45	44	45	49
480	12/31/2018	WAT – Waters	0.73	14.47	24.55	48	55	55	49
481	11/30/2018	WBA - Walgreens	0.44	7.63	3.96	44	56	64	54
482	12/31/2018	WCG - WellCare Health Plans	0.5	4.01	2.16	43	54	41	53
483	12/31/2018	WDC - Western Digital	0.95	2.93	4.34	48	56	54	52

484	12/31/2018	WEC - WEC Energy	1.02	3.26	13.79	56	60	58	58
485	12/31/2018	WELL - Welltower	0.89	2.61	16.13	45	55	60	45
486	12/31/2018	WFC - Wells Fargo	1.32	1.09	20.47	46	59	67	55
487	12/31/2018	WHR – Whirlpool	1.26	-0.95	-0.87	48	61	59	52
488	12/31/2018	WLTW - Willis Towers Watson Public	0.44	2.08	8.16	42	56	56	46
489	12/31/2018	WM - Waste Management	1.53	8.62	12.91	49	61	54	54
490	12/31/2018	WMB – Williams	1.4	-0.34	-1.8	48	50	43	55
491	10/31/2018	WMT – Walmart	0.63	2.45	1.01	44	54	61	49
492	12/31/2018	WRK – WestRock	0.84	3.41	5.44	46	51	48	45
493	12/31/2018	WU - Western Union	-11.08	9.4	15.26	49	54	51	44
494	12/31/2018	WY - Weyerhaeuser	0.6	4.24	10.01	51	64	59	62
495	12/31/2018	WYNN - Wynn Resorts	5.19	4.62	8.53	41	53	51	49
496	12/31/2018	XEC - Cimarex Energy Co	0.45	13.76	33.36	42	52	45	46
497	12/31/2018	XEL - Xcel Energy	1.29	2.83	10.93	51	64	61	58
498	12/31/2018	XLNX – Xilinx	0.46	15.33	27.55	48	59	56	51
499	12/31/2018	XOM – Exxon	0.1	5.96	7.18	37	51	41	50
500	12/31/2018	XRAY - DENTSPLY SIRONA	0.31	-11.03	-25.36	42	57	60	54
501	12/31/2018	XRX – Xerox	0.85	2.33	3.67	56	62	63	59
502	12/31/2018	XYL – Xylem	0.74	7.54	10.54	53	57	68	54
503	12/31/2018	YUM - Yum! Brands	-1.23	35.35	27.11	47	54	60	56
504	12/31/2018	ZBH - Zimmer Biomet Holdings	0.75	-1.48	-4.78	41	60	55	48
505	12/31/2018	ZION - Zions Bancorporation, N. A	0.1	1.27	28.03	47	56	36	43
506	12/31/2018	ZTS – Zoetis	2.95	14.83	24.52	46	55	49	52

Note. List of all 2018 S&P 500 companies with corresponding data including dependent variables (d/e, npm, roa) and independent variables (community, employees, environment, governance). The 262 selected companies are highlighted and were selected using the Research Randomizer results listed in table 5.