

Cities and Corporate Social Performance

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July 2017

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ABSTRACT

This study examines how and why pollution levels in global cities influence the adoption of corporate social performance (CSP) by firms headquartered in these cities. Drawing on resource-dependence and institutional theories, this study found that urban air pollution is likely to decrease CSP due to low level of regulatory stringency and firms' cost-reduction motives. However, our research also discovered that environmental CSP is higher when urban air pollution increases in large cities, while environmental CSP is lower when air pollution increases in small cities. Unveiling the influence of city-level characteristics on CSP has a number of theoretical and managerial implications: (1) *Theoretically*, the adoption of CSP studies at the city level refines institutional theory and resource-dependence theory on drivers of CSP at the subnational (city) level, which hitherto focused on the national and organisational levels. (2) *Regarding practical relevance*, policymakers can benefit from understanding the mechanisms that explain the relationships between their cities' environmental concerns and CSP.

Keywords: Corporate social performance, city characteristics, urban air pollution, institutional theory, resource dependence theory

DECLARATION

I certify that this work contains no material which has been accepted for the award of any other degree or diploma in my name, in any university or other tertiary institution and, to the best of my knowledge and belief, contains no material previously published or written by another person, except where due reference has been made in the text. In addition, I certify that no part of this work will, in the future, be used in a submission in my name, for any other degree or diploma in any university or other tertiary institution without the prior approval of the University of Adelaide and where applicable, any partner institution responsible for the joint-award of this degree. I give consent to this copy of my thesis, when deposited in the University Library, being made available for loan and photocopying, subject to the provisions of the Copyright Act 1968. I also give permission for the digital version of my thesis to be made available on the web, via the University's digital research repository, the Library Search and also through web search engines, unless permission has been granted by the University to restrict access for a period of time. I acknowledge the support I have received for my research through the provision of an Australian Government Research Training Program Scholarship.

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ACKNOWLEDGEMENT

First of all, I would like to most gratefully thank Associate Professor Dirk Michael Boehe for being a great supervisor. His invaluable critiques, dedicated and tremendous support help steer me in the right direction and have the most influential impact on my research. Over two years under his supervision, I have learned from him not only academic knowledge, research skills but also working ethics and the attitude to achieve the highest quality. I am very honored to have my co-supervisor Professor Ralf-Yves Zurbrugg for his critical feedbacks and ideas, as well as his training me on how to write better. Indeed, there are many other academics and staff involved in the support services at the University of Adelaide who have been instrumental in the development of the thesis, whom I am also thankful for.

I am thankful to other PhD candidates who have assisted me from the outset of my master program, Phan Hoang Long and Limin Fu, for their constructive feedbacks and data acquisition. I sincerely thank Ray Adams of Semiotica as professional editor in this thesis for your excellent and thorough editing services.

This journey would not have been fulfilled without ongoing support from my colleagues and friends. I am grateful to have Fifie, Kechen, Kristin, Limin, Juan, Nghi, Phuong, Serena, Yu Chen and Youngshi as always encouraging and inspiring me, offering research experiences and knowledgeable advices.

Last of but not least, I would like to express profound gratitude to my family and my best friends, especially my father, for always being with me. Your love and faith are motivations for me to strive harder. Thank you chi Truc, for your kind help when I first arrived. Loan Anh, Quang, and Nul for always listening and sharing my ups and downs.