

Corporate Sustainability Performance in the Emerging East Asian Markets

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Nederlandstalige samenvatting

Duurzame ontwikkeling heeft de laatste drie decennia veel aandacht gekregen. De eerste en meest gebruikte definitie, geïntroduceerd in het Brundtland Report (1987), omschrijft duurzame ontwikkeling als 'ontwikkeling die voldoet aan de noden van vandaag, zonder de toekomstige generaties te beperken in het voldoen van hun noden in de toekomst.' In de nasleep van de financiële crisis in 2008, is duurzame ontwikkeling een bedrijfsbenadering geworden voor lange-termijn overleving en duurzaamheid van ondernemingen in ontwikkelde economieën en intussen heeft het zich ook verspreid over ontwikkelingslanden. Het streven naar duurzame ontwikkeling vereist van ondernemingen dat ze hun uitstekende duurzaamheidsprestaties inzake economische ontwikkeling, bescherming van het milieu en sociale verantwoordelijkheid aantonen.

De doctoraatsthesis focust vooral op de duurzaamheidsprestaties van ondernemingen in ontwikkelingseconomieën in Oost-Azië na de financiële crisis. Meer specifiek onderzoeken we in drie studies de determinanten en de effecten van duurzaamheidsprestaties.

De eerste studie onderzoekt het effect van de structuur van de raad van bestuur op de economische, milieutechnische en sociale dimensies van de duurzaamheidsprestaties van ondernemingen vanuit het perspectief van de principaal-agenttheorie en stakeholder theorie. Onze analyse op basis van de 'triple bottom line' laat niet alleen toe om te identificeren welke karakteristieken van de raad van bestuur een positief effect hebben op de duurzaamheid van ondernemingen, maar wijst ook uit dat sommige karakteristieken goed passen bij specifieke dimensies van duurzaamheid. De resultaten zijn relevant voor de praktijk omdat ze de rol van de raad van bestuur voor duurzaamheidsprestaties identificeren en een basis bieden voor de inspanningen die gedaan kunnen worden om duurzaam ondernemerschap te verbeteren.

De tweede studie onderzoekt of managers in duurzame ondernemingen transparantere en meer betrouwbare informatie aanbieden aan hun stakeholders. We tonen aan dat duurzamere bedrijven minder gelinkt worden aan earnings management. Dit resultaat is in lijn met het ethische perspectief dat managers ertoe aanzet om hun stakeholders te voorzien van kwalitatieve financiële rapporten. Het onderzoek draagt bij tot de literatuur door aan te tonen dat duurzaam ondernemerschap een

stimulans is voor het verbeteren van de kwaliteit van financiële rapportering en dat het verbeteren van duurzaamheid in elk van haar drie dimensies een belangrijk middel is om earnings management te beperken.

De derde studie verduidelijkt de relatie tussen de milieuprestaties en de financiële resultaten van ondernemingen via lineaire en kwadratische functies vanuit het standpunt van de stakeholder theorie. De resultaten tonen aan dat milieuprestaties een U-vormige relatie vertonen met financiële prestaties. Betere milieuprestaties leiden dus eerst tot een verslechtering van financiële prestaties, maar na het bereiken van een kantelpunt, keert het effect om en leiden milieuprestaties uiteindelijk tot meer winstgevendheid en een hogere marktwaarde. Deze conclusies zijn belangrijk voor bedrijven, investeerders en beleidsmakers omdat ze de invloed van milieuprestaties in het verbeteren van financiële prestaties op lange termijn benadrukken.

Summary in English

Sustainable development has attracted great attention over the last three decades since the first and most common definition that ‘sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs’ was introduced in the Brundtland Report (1987). In the aftermath of the 2008 global financial crisis, sustainable development has emerged as a business approach to promote long-term survival and sustainability of business corporations in developed countries and spreading over emerging markets. Accordingly, the pursuit of sustainable development requires corporations to demonstrate their outstanding corporate sustainability performance in terms of economic development, environmental protection, and social responsibility.

The dissertation mainly focuses on corporate sustainability performance in the emerging East Asian economies in the post global financial crisis. Particularly, we determine the determinants and the effects of corporate sustainability performance that are presented in the three studies as follows.

The first study examines the influence of board structure on the economic, environmental, and social dimensions of corporate sustainability performance from the perspective of agency theory and stakeholder theory. Based on an analysis of the triple bottom line, our approach allows not only to identify which board attributes promote corporate sustainability performance but also to prove that some attributes fit well with some particular sustainability dimensions. Our findings have practical implications by identifying the role of corporate boards in corporate sustainability performance and providing a foundation for their efforts to enhance sustainable development.

The second study investigates whether managers in sustainable firms provide their stakeholders with more transparent and reliable financial information. We provide evidence that firms with better sustainability performance are less likely to engage in earnings management. This finding is consistent with the ethical perspective that drives managers to provide their stakeholders with quality financial reports. Our study contributes to the literature by first demonstrating that corporate sustainability performance is a stimulus to enhance financial reporting quality and the improvement of all three sustainability dimensions is a powerful tool to constrain earnings management.

The third study aims to clarify the relationship between environmental performance and financial performance in both linear and quadratic functions through the lens of stakeholder theory. The findings prove that environmental performance has a U-shaped relationship with accounting-based and market-based financial performance. Accordingly, an increase in environmental performance deteriorates firm performance in the beginning, but after its threshold has been reached, the effect reverses and environmental performance ultimately serves profitability and market value. Our findings would be of interest to firms, investors, and policy makers by emphasizing the role of environmental performance in the improvement of financial performance in the long term.