INSTITUTO
UNIVERSITÁRIO
DE LISBOA

The Impact of Corporate Charitable Donation and Rule-breaking on the Financial Performance of Chinese Listed Companies

SUO Wen

Doctor of Management

Supervisors:
PhD José Paulo Esperança, Professor
ISCTE University Institute of Lisbon
PhD WU Jihong, Associate Professor
University of Electronic Science and Technology of China

January, 2022

BUSINESS
SCHOOL

Marketing, Operations and General Management Department

The Impact of Corporate Charitable Donation and Rule-breaking on the Financial Performance of Chinese Listed Companies

SUO Wen

Doctor of Management

Supervisors:
PhD José Paulo Esperança, Professor
ISCTE University Institute of Lisbon
PhD WU Jihong, Associate Professor
University of Electronic Science and Technology of China

January, 2022

BUSINESS
SCHOOL

Marketing, Operations and General Management Department

The Impact of Corporate Charitable Donation and Rule-breaking on the Financial Performance of Chinese Listed Companies

SUO Wen

Doctor of Management

Jury:
PhD Maria de Fátima Salgueiro, Associate Professor with Habilitation,
ISCTE - Instituto Universitário de Lisboa
PhD Elisabete Gomes Santana Félix, Associate Professor,
Universidade de Évora
PhD Ma Yongkai, Full Professor,
University of Electronic Science and Technology of China
PhD Pedro Manuel de Sousa Inácio, Retired Assistant Professor,
ISCTE - Instituto Universitário de Lisboa
PhD José Paulo Afonso Esperança, Full Professor,
ISCTE - Instituto Universitário de Lisboa

January, 2022

iscte INSTITUTO UNIVERSITÁRIO DE LISBOA

The Impact of Corporate Charitable Donation and Rule-breaking on the Financial Performance of Chinese Listed Companies

SUO Wen

Declaration

I declare that this thesis does not incorporate without acknowledgement any material previously submitted for a degree or diploma in any university and that to the best of my knowledge it does not contain any material previously published or written by another person except where due reference is made in the text.

Signed: SUO Wen   Date: 2022.01.01

Name: SUO Wen

作者申明

本人郑重申明：除了论文致谢中明确说明并致以谢意的部分外，所呈交的论文不包含任何他人或作者本人已用于获得任何教育机构的学位和证书而使用过的材料。同时尽我所知，除了文中特别加以标注引用的内容外，本论文不包含任何其他个人或集体已经发表或撰写的成果作品。

作者签名：SUO Wen   日期：2022.01.01

姓名(拼音)：SUO Wen

[This page is deliberately left blank.]

Abstract

Up to now, there is no consistent conclusion on how corporate charitable donation and rule-breaking influence financial performance. Based on the signaling theory and stakeholder theory and combined with the practice, the thesis adopted second-hand data and used Stata to conduct empirical research.

The research results show: corporate charitable donation positively influences financial performance and corporate media reputation; corporate rule-breaking negatively influences financial performance and corporate media reputation; corporate media reputation mediates rule-breaking and financial performance; the interaction of corporate charitable donation and rule-breaking positively influence financial performance.

This research conclusions are of theoretical significance to the study of corporate charitable donation, corporate rule-breaking, corporate media reputation, CEO media reputation and financial performance. Meanwhile, this thesis has practical and guiding significance in promoting corporate charitable donation and reducing rule-breaking behavior.

Keywords: Corporate charitable donation, corporate rule-breaking behavior, corporate media reputation, CEO media reputation, corporate financial performance

JEL: L25, M14

[This page is deliberately left blank.]

Resumo

Até agora não existe uma conclusão consistente sobre a influência das doações empresariais e da violação das normas para o desempenho financeiro. Com base nas teorias dos sinais e dos "stakeholders" e em articulação com a prática, a tese usa dados secundários e Stata para fazer uma análise empírica.

Os resultados da investigação mostram que: as doações empresariais têm um impacto positivo no desempenho financeiro e na reputação da empresa nos meios de comunicação; a violação das normas tem um impacto negativo no desempenho financeiro e na reputação da empresa nos meios de comunicação; a reputação da empresa nos meios de comunicação desempenha um papel de mediação entre a violação das normas e o desempenho financeiro; a interação das doações empresariais e da violação das normas tem um impacto positivo no desempenho financeiro.

As conclusões da investigação têm significado teórico para o estudo das doações empresariais da violação das normas e da reputação nos meios de comunicação, reputação nos meios de comunicação do CEO e desempenho financeiro. Ao mesmo tempo, esta tese tem importância prática e de orientação dos gestores, promovendo as doações empresariais e reduzindo os comportamentos de violação das normas.

Palavras-chave: Doações empresariais caritativas, comportamento de desrespeito das normas, reputação mediática empresarial, reputação mediática do CEO, desempenho financeiro
JEL: L25, M14

[This page is deliberately left blank.]

摘要

目前企业慈善捐赠和违规行为对财务绩效的影响尚未形成统一结论。本文基于信息传递理论和利益相关者理论和联系管理实践并运用二手数据分析法，使用 Stata 进行实证分析。

结果表明企业慈善捐赠对财务绩效和企业媒体关注度有正向影响，企业违规行为对财务绩效和企业媒体声誉有负向影响，企业媒体声誉在企业违规行为与财务绩效间起中介作用，慈善捐赠与企业违规行为交互作用对财务绩效有促进作用。

本文研究结论对研究企业慈善捐赠和企业违规行为及其交互作用、企业媒体声誉、CEO 媒体声誉、财务绩效等具有理论贡献，并对倡导企业进行慈善捐赠、减少企业违规行为具有实践意义。

关键词：慈善捐赠，违规行为，媒体声誉，CEO 媒体声誉，财务绩效

JEL: L25, M14

[This page is deliberately left blank.]

Acknowledgements

Time flies! In the past few years, learning and working at the same time have enriched my life. Until today, I can still feel the joy when I received the admission letter in August 2017 and entered school in October 2017, so vivid, as if it was yesterday. I once ever felt stressed out when all the things piled together: choosing the research topic, discussing the thesis, collecting the data... But I was lucky, because I met my supervisors, Professor Jose and Professor Wu, who have always given me tolerance and care. With their support, I have completed my doctoral thesis. I can still recall my supervisor's words during my study and thesis writing, such as "Writing a thesis is like riding a roller-coaster", "Doctoral thesis requires hardworking, and the thesis should reflect your capability". These words have motivated me and will always remain in my heart.

Pursuing a PhD is an important experience and a valuable asset in my life. Thanks to Professor Jose and Professor Wu for their patience and efforts. They reviewed and revised my doctoral thesis word by word and gave me suggestions and guidance.

Thanks to Professor Xiao and Ms. Chen, and thanks to Professor Nelson and Professor Virginia, for their efforts in the DOM project. Thanks to my family for their support and encouragement, which is an important driving force for me to complete my studies. My husband always supports my studies, and my parents and elder brother encourage me from time to time. I would like to give credit to them for their selfless support and caring.

Thanks to my friends who have always cared about and supported me, my junior schoolmate Hongyue, Lin Min, Xia Zhimin, and Chen Juan. Thanks to their support, I was able to conduct the research smoothly. My thanks also go to the teachers, colleagues, classmates and friends who have helped me during my PhD study. Your support is the greatest motivation and assistance for my study and work. Thank you all!

[This page is deliberately left blank.]

致谢

时光如驹，这几年，我边工作边学习，至今眼前一直浮现 2017 年 10 月跨进学校时的激动心情，记忆犹新、仿佛就在昨天。在选择课题、探讨论文、讨论数据等等堆积在一起，压力一直驱使我向前迈进。我很幸运，遇见导师 Jose 教授和吴继红教授对我的宽容和关爱，论文在他们的指导下，经过一次又一次的修改和调整，终于完成了博士论文。我时时刻刻记得老师的忠告："博士论文就像过山车""博士论文一定要认真写，要写出水平"。

应当说，博士学习阶段的训练是一段很重要的经历，也可以这样说它改变了我的思维，对我的一生都是珍贵的财富。再次感谢导师 Jose 教授和吴继红教授的厚爱，不辞辛劳，一字一句地批阅我的博士论文。

感谢 DOM 项目肖老师、陈阳老师、感谢葡萄牙 Nelson 教授、Virginia 教授。同时，谢谢我家人的支持和鞭策，也是促使我完成学业的重要动力。我的丈夫始终关注和支持我的学业，我的父母和长兄也不时敦促我加紧论文的写作，我要感谢他们无私的支持和关爱。

我也要谢谢我的师妹红月、林敏、夏志敏、陈娟，他们的支持让我能够顺利地进行研究。感谢所有支持和关注我的博士研究生阶段学习的老师、同事、同学和朋友，你们的支持是我学习和工作的最大动力和助力。谢谢大家！

[This page is deliberately left blank.]

Contents

Chapter 1: Introduction ... 1
1.1 Research background ... 1
1.2 Research questions ... 4
1.3 Research content ... 4
1.4 Research significance ... 6
1.5 Method ... 8
1.6 Technical route ... 8
1.7 Chapter summary ... 11
Chapter 2: Literature Review ... 13
2.1 Corporate charitable donation and its outcomes ... 13
2.1.1 Corporate charitable donation ... 13
2.1.2 Strategic philanthropy ... 17
2.1.3 Corporate charitable donation in China ... 18
2.1.4 Corporate charitable donation outcomes ... 21
2.2 CSIR ... 25
2.2.1 Definition ... 25
2.2.2 Measurement ... 28
2.2.3 CSIR Outcomes ... 29
2.2.4 CSR and CSIR ... 33
2.3 Corporate rule-breaking behavior ... 36
2.3.1 Definition ... 37
2.3.2 Measurement ... 37
2.3.3 Relevant research ... 37
2.4 Corporate reputation ... 38
2.4.1 Definition ... 38
2.4.2 Measurement ... 42
2.4.3 Corporate reputation antecedents ... 43
2.4.4 Corporate reputation and performance ... 44
2.5 CEO reputation ... 47
2.5.1 Definition ... 47
2.5.2 CEO reputation and corporate reputation ... 47
2.5.3 Measurement ... 48

2.5.4 Outcomes 48
2.6 Financial performance 49
2.7 Chapter summary 50
Chapter 3: Theoretical Model and Research Hypotheses 53
3.1 Theoretical model 53
3.1.1 Relevant theories 53
3.1.2 Theoretical model 54
3.2 Research hypotheses 56
3.2.1 Corporate charitable donation, rule-breaking and financial performance 56
3.2.2 Corporate media reputation as a mediator 58
3.2.3 CEO media reputation as a moderator 62
3.2.4 Interaction of corporate charitable donation and rule-breaking behavior 64
3.3 Chapter summary 66
Chapter 4: Research Design 69
4.1 Data source 69
4.2 Variable selection and measurement 69
4.2.1 Corporate performance 69
4.2.2 Independent variables 70
4.2.3 Corporate media reputation 71
4.2.4 CEO media reputation 72
4.2.5 Control variables 73
4.3 Empirical model 74
4.3.1 Corporate charitable donation and rule-breaking on corporate financial performance 74
4.3.2 Mediation of corporate media reputation 75
4.3.3 Moderation of CEO media reputation 75
4.3.4 Interaction of corporate charitable donation and rule-breaking behavior 76
4.4 Chapter summary 77
Chapter 5: Research Analysis 79
5.1 Preliminary analysis 79
5.1.1 Statistical description 79
5.1.2 Correlation analysis 81
5.2 Regression analysis 83
5.2.1 Corporate charitable donation and corporate rule-breaking behavior on financial performance 83

5.2.2 Mediation of corporate media reputation ... 84
5.2.3 Moderation of CEO media reputation ... 86
5.2.4 Interaction between corporate charitable donation and rule-breaking behavior ... 88
5.3 Further research ... 91
5.3.1 Two-year lagging corporate charitable donation, rule-breaking behavior and other contemporaneous variables ... 91
5.3.2 Contemporaneous variables ... 95
5.3.3 Two-year lagging corporate charitable donation and rule-breaking behavior. 98
5.3.4 Corporate media attention and CEO media attention ... 102
5.4 Robustness test ... 106
5.5 Chapter summary ... 110
Chapter 6: Conclusions and Future Research ... 113
6.1 Conclusions ... 113
6.2 Contributions ... 115
6.3 Implications ... 117
6.4 Limitations and prospects ... 119
6.5 Closing remarks ... 120
Bibliography ... 121
Annex ... 137

[This page is deliberately left blank.]

List of Tables

Table 2.1 Manifestation of greenwash summarized by Scot ... 35
Table 2.2 Manifestations of greenwash summarized in *Southern Weekend* ... 35
Table 4.1 Variable names and calculation methods ... 74
Table 5.1 Correlation analysis ... 82
Table 5.2 Regression of corporate financial performance on charitable donation and rule-breaking behavior ... 84
Table 5.3 Regression on the mediating role of corporate media reputation ... 86
Table 5.4 Regression on the moderation of CEO media reputation ... 87
Table 5.5 Regression on the interaction between one-year lagging corporate charitable donation and corporate rule-breaking behavior ... 89
Table 5.6 Regression on the interaction between one-year lagging corporate rule-breaking behavior and charitable donation ... 90
Table 5.7 Regression of corporate financial performance on corporate charitable donation and corporate rule-breaking behavior ... 92
Table 5.8 Regression on the mediating role of corporate media reputation ... 93
Table 5.9 The moderating effect of CEO media reputation ... 94
Table 5.10 Regression of corporate financial performance on corporate charitable donation and corporate rule-breaking behavior ... 95
Table 5.11 Regression on the mediating effect of corporate media reputation ... 96
Table 5.12 The moderating effect of CEO media reputation ... 98
Table 5.13 Regression on the interaction between two-year lagging corporate charitable donation and one-year lagging corporate rule-breaking behavior ... 99
Table 5.14 Regression on the interaction between two-year lagging corporate rule-breaking behavior and one-year lagging corporate charitable donation ... 101
Table 5.15 Regression of financial performance on corporate charitable donation and corporate rule-breaking behavior ... 103
Table 5.16 Regression of the main effect and mediating effect ... 104
Table 5.17 The moderating effect of CEO media attention ... 105
Table 5.18 Regression on the main effect and mediating effect ... 107
Table 5.19 The moderating effect of CEO media attention ... 108
Table 5.20 Regression on the interaction between one-year lagging corporate charitable donation and corporate rule-breaking behavior ... 109

Table 5.21 Regression on the interaction between one-year lagging corporate rule-breaking behavior and corporate charitable donation 110

List of Figures

Figure 1.1 Technical route 10
Figure 3.1 Research model 55
Figure 5.1 Interaction of rule-breaking behavior 90
Figure 5.2 Interaction of rule-breaking behavior 100
Figure 5.3 Interaction of corporate charitable donation 102
Figure 5.4 Moderation of CEO media attention 106

[This page is deliberately left blank.]

Chapter 1: Introduction

1.1 Research background

As a pillar in society development, companies have both economic nature and social nature. In recent years, more and more enterprises have actively fulfilled their social responsibilities while achieving economic goals, taking the initiative in labor protection, environment sustainable development, and charitable donation. However, there are also some enterprises committing rule-breaking behaviors when pursuing economic benefits and sharing social responsibilities, such as major safety accident, environmental pollution accident, fake advertising, and inferior production.

Corporate charitable donation as a crucial content of CSR (corporate social responsibility) is becoming the major force of donation in Chinese society. From the donation amount, the total amount of China's charitable donations in 2019 was 150.944 billion yuan according to *2019 China Charity Donation Report*, of which 93.147 billion yuan was donated by enterprises, with a year-on-year increase of 4.56%, accounting for 61.71% of the total amount of donations, demonstrating that corporate philanthropy is dominant in China's philanthropy. From the donation industry, the *Report* also shows that enterprises in industries such as real estate, finance, and food industry donated more, indicating that charitable donations in China are in close relation with the national economic structure. There is an old saying in China that "Good for good", which means good deeds will be rewarded, but will corporate charitable donation always positively influence enterprise reputation or enterprise financial performance? During the Henan flood disaster in July 2021, Erke, a Chinese sports brand, donated 50 million yuan, which was then given thumb-ups by consumers and pulled up the financial performance immediately. Erke's online mall achieved sales exceeding 100 million yuan in just one hour, which was far more than before the donation. Erke's charitable donation not only helped Henan province, but also helped itself to come back to life in the dilemma of year-long losses. It was also a charitable donation, but the situation for Vanke, the Chinese famous real estate company, is much different. Vanke's donation in 2008 only attracted a series of negative outcomes. In the 2008 Wenchuan earthquake, Vanke passed a resolution of the board to donate 2 million yuan to Wenchuan, the most severe earthquake-attached area. However, only three days after the donation, Vanke's stock price fell to 22.57 yuan per share, and then continuously fell for 6 trading days until it fell to 19.6 yuan per share. The company had a tremendous loss because of this donation, and Vanke's brand value in the 2008 was 18.123 billion yuan, decreased for 1.231 billion yuan comparing with 2007. Therefore, how corporate charitable donation influence financial performance is a controversial topic. Friedman (1970) believed that an enterprise is only responsible for increasing profits, and corporate philanthropy is harmful to financial performance, that is, corporate charitable donation is not conducive to maximizing benefits as corporate charitable donation will transfer corporate resources, and reduce the resources used for production and operation and for creating value for shareholders, thus having a negative impact on corporate performance. J. G. Zheng and Yu (2015) carried out a study on foreign capital companies and found that volunteer activities and social and economic contribution to the local area in CSR significantly positively affected business performance, but the effect of donation activities in CSR was not significant. On the other hand, Porter and Kramer (2002) believed corporate philanthropy to be beneficial in improving the competitive environment and achieving the economic and social goals of enterprises based on the theory of strategic philanthropy. Besides, corporate philanthropy can improve corporate image, promote product sales (File & Prince, 1998), enhance corporate reputation, and leave stakeholders a more positive impression of the enterprises (Brammer & Millington, 2005). Up to now, the current research on how corporate charitable donations influence financial performance hasn't yet arrived a consistent conclusion.

With increasing corporate charitable donations year by year, the problems of environmental pollution, product quality and safety are also frequently exposed. The irresponsible social behaviors of enterprises have attracted more and more public attention, affecting the long-term development of enterprises. In China, typical cases of corporate rule-breaking behavior are exposed in the "CCTV 315 Evening Party" every year to warn and urge enterprises to follow good practices. For example, CCTV 315 Evening Party in 2021 unveiled the problems that enterprises infringe on consumers' rights and interests endangering public safety such as abusing use of facial recognition, selling job seekers' resumes, messing the use of search engines, and using clenbuterol. Among them, the US stock listed company 51job was criticized by CCTV for selling job candidates' resumes. After the behavior was disclosed, the stock price of 51job crashed, with a pre-market drop of more than 6%, and its opening stock price fell by 3.38%. In 2022, Master Kong's sauerkraut instant noodles were exposed to clean sauerkraut in a mud pit and the production process was extremely unhygienic, sparking consumer's concern about food safety issues and a boycott of Master Kong's sauerkraut instant noodles. On the day of the sauerkraut incident, Master Kong lost a net market value of about HK$10.6 billion (RMB 8.6 billion). By March 30, Master Kong's share price fell to HK$12.7 per share, with a market value of only HK$71.524 billion. As a corporate irresponsible behavior, the impact of corporate rule-breaking behaviors on their financial performance is also controversial. Some scholars have shown CSIR (corporate social irresponsibility) will reduce consumers' willingness to buy their products (Ferreira & Ribeiro, 2017), damage corporate reputation (Nardella et al., 2020), and decrease corporate performance (Price & Sun, 2017). Whilst some studies have shown that when companies face poor management or huge pressure, they expect to reduce costs and reverse financial difficulties through irresponsible behavior. How corporate rule-breaking behaviors exert effect on corporate financial performance needs to be further explored.

Corporate reputation is an important advantage and driving force for corporate success. Via event analysis and regression analysis, X. J. Zheng and Yang (2009) found the performance of a highly reputed company substantially higher than a lowly reputed one, which signify that higher reputation elevates financial performance. CEO reputation as a component of the corporate reputation, can influence the company's performance. Yan (2014) found through empirical research that CEOs with high reputations are more likely to keep good performance than CEOs with low reputations. With the rapid-developing new media, more transparent information and faster information dissemination, media reputation has the characteristics of high value, scarcity and irreplaceability, which cannot be imitated and is a strategic resource for enterprises. However, scarce studies have concerned about the impact of corporate media reputation and CEO media reputation. Meanwhile, different corporate CEOs have different media reputations, so the influence boundary of corporate charitable donations and rule-breaking on corporate financial performance can be considered from CEO media reputation.

Financial performance is a comprehensive presentation of the company's cost control effectiveness, capital management effectiveness, capital source allocation effectiveness, and ROE (return on equity). Financial performance can answer the four questions that are mostly concerned about: Where does the money come from? Will the company go bankrupt tomorrow? Does the company run well? Does the company make money? Improving corporate financial performance is a critical mission for enterprises. Therefore, the antecedents of corporate financial performance worth exploration and research. Previous research has shown interest to the influencing factors of corporate financial performance, such as technology development and innovation, corporate reputation, CSR. However, the research on how corporate charitable donation and rule-breaking behavior influence financial performance is still limited, which requires further exploration.

1.2 Research questions

Financial performance is of significance to enterprises. There are studies focusing on the antecedents of financial performance, but the impact of corporate charitable donation and corporate rule-breaking behavior on financial performance is still limited. At this moment, there is not a consistent conclusion concerning how corporate charitable donation affects financial performance. Some scholars argued corporate charitable donation to be in positively relation with financial performance (Porter & Kramer, 2002; Zheng & Yu, 2015), but some scholars thought corporate charitable donation was not conductive to maximizing the profit (Friedman, 1970). Meanwhile, the impact of corporate rule-breaking behavior on financial performance requires further study. Some scholars held that corporate rule-breaking behavior would lower down corporate financial performance (Price & Sun, 2017), and some scholars thought that rule-breaking behavior could lower the cost. In addition, there are rare research taking corporate media reputation and CEO media reputation into consideration.

Based on the above research background, three research questions are proposed.

(1) What are the impacts of corporate charitable donations, rule-breaking behaviors and their interaction on corporate financial performance?

(2) What role does corporate media reputation play in the influence processes of corporate charitable donations and corporate rule-breaking behaviors on corporate financial performance?

(3) What role does CEO media reputation play in the influence processes of corporate charitable donations and corporate rule-breaking behaviors on corporate financial performance?

To sum up, the thesis focuses on the impact of both “doing good” and “doing bad” and carries out empirical research on the impact of charitable donation and rule-breaking behavior of Chinese listed companies on their financial performance, so as to enrich relevant research on philanthropy and CSIR. Meanwhile, the thesis discussed the influence mechanism of corporate charitable donation and rule-breaking behavior on financial performance and explored the mediation of corporate media reputation and the moderation of CEO media reputation. Lastly, combined with the research conclusions, the thesis provided corresponding management suggestions for increasing corporate charitable donation and avoiding corporate rule-breaking behavior.

1.3 Research content

From the perspective of “doing good” and “doing bad” which can sometimes coincide, sampling Chinese listed companies, this thesis bones up the influence of charitable donation and corporate rule-breaking behavior. Based on the theoretical and practical background, the thesis firstly systematically analyzes the existing research literature, clarifies the research problem, and reviews the literature. Then, combined with the signaling theory and stakeholder theory, the thesis constructs the theoretical model and puts forward the research hypotheses. As for the empirical research, the thesis adopts relevant data of China's listed companies on the platforms such as Guotaian database and China data research service platform to carry out the statistical analysis of the second-hand data, the time span is set from 2012 to 2019, after which the research hypotheses are tested, research conclusions are drawn, and the corresponding inspiration and suggestions for management are put forward. The research content of each chapter is arranged below.

Chapter 1: Introduction. The research backgrounds, theoretical and practical significances, research methods, research content, technical route and innovation of the thesis are introduced.

Chapter 2: Literature Review. Grounded on the research questions, existing advancement of corporate charitable donation, CSIR, corporate rule-breaking behavior, corporate and CEO reputation are systematically explained. Specifically, this chapter reviews the definition and measurement of corporate charitable donation, CSIR, corporate reputation, CEO reputation, outcomes of corporate charitable donation and CSIR, the influencing factors of corporate reputation, the relation between CSIR and CSR, and the outcomes of CEO reputation. Theories related to the above variables are comprehensively summarized and explored.

Chapter 3: Theoretical Model and Research Hypotheses. Systematically reviewing of the literature on previous system as well as the signaling theory and stakeholder theory, the theoretical model of this thesis is constructed, the research hypotheses are put forward, and the relationship between the variables are clarified.

Chapter 4: Research Design. This chapter describes the selection criteria and data sources of the research samples, introduces all the variables and their calculation methods in detail. Finally, the empirical model is constructed to verify whether the research hypotheses proposed in the previous chapter are valid.

Chapter 5: Research Results and Analysis. This chapter bases on the data processing and research methods described in previous chapters and carries out data analysis and regression on the research hypotheses, namely the relation between corporate charitable donation, corporate rule-breaking and financial performance; the mediation of corporate media reputation; the moderation of CEO media reputation. On this basis, the thesis implements regression analyses on corporate charitable donation and corporate rule-breaking behavior lagging behind two years to other main variables, regression analyses of the same year variables, analyses on the influence of independent variable interaction on corporate media reputation and financial performance in different years, regression analyses on corporate media reputation, CEO media reputation (virtual variable) and main variables.

Chapter 6: Research Conclusions and Future Research. First of all, the conclusion of this thesis is drawn according to the above research. Then, the research contribution of the thesis is proposed. According to the research conclusion, the thesis clearly puts forward suggestions for the government, enterprises, CEOs, consumers and other stakeholders. Additionally, this research also illustrates the limitations and prospects for future research.

1.4 Research significance

Taking the listed companies in China as objects, the thesis explored how corporate charitable donations and rule-breaking behaviors influence corporate financial performance, examined the function of corporate media reputation and CEO media reputation in the influence mechanism. This thesis has the following three theoretical significance.

For the first significance, this thesis has enriched the research on CSR. Existing research have delved CSR or corporate irresponsibility on financial performance. By analyzing sales growth of more than 600 A-share listed companies and related company-level data such as CSR, X. Li (2014) found CSR in negative correlation with companies' economic performance, and the negative correlation only occurs in low-competitive industries is insignificant in highly competitive industries. P. Huang and Hou (2020) conducted a data study on listed companies in pharmaceutical industry, finding that the more the CSIR in pharmaceutical companies, the lower their financial performance. This thesis focuses on the corporate charitable donations and corporate rule-breaking behavior, the two subdivisions of CSR and corporate irresponsibility, which is more focused and specific. Meanwhile, the existing research always independently study corporate philanthropy on financial performance, or CSIR on financial performance. Lev et al. (2010) found corporate charitable donations will increase the economic income of enterprises, and the increase is more significant in enterprises whose corporate clients are individual consumers. Combined event analysis with multiple regression, Teng et al. (2016) used to explore the performance transmission of rule breaking penalties and found that when group companies were punished, the performance of other member companies dropped significantly. The more severe the penalties, the greater the performance transmission effect. At present, few research study the impact of both corporate charitable donation and rule-breaking behavior on financial performance. Therefore, the thesis explores the impact of corporate charitable donation and corporate rule-breaking behavior, two important parts in CSR field, on financial performance, which afterwards enriches the related research on CSR.

For the second significance, this thesis has enriched the research on corporate reputation. The existing research examined the influence of corporate reputation on consumer behavior variables such as customer identity, consumer purchasing tendency, lacking the research taking corporate financial performance as outcome. This thesis explores the mediation of corporate reputation in the impact of corporate charitable donation and rule-breaking on financial performance and ameliorates relevant research on how corporate philanthropy and CSIR influence financial performance. Meanwhile, the existing research rarely pays attention to corporate media reputation, which does not correspond with the new media trend. This study took corporate media reputation as the mediator, which largely enriched the research on corporate reputation.

For the third significance, this thesis has enriched the research on CEO reputation. At present, there are few empirical studies on CEO reputation. Among the limited studies, CEO reputation is often used as an antecedent variable to explore the impact of corporate reputation on companies. For example, Weng and Chen (2016) found CEO reputation conducive to corporate financial performance. Through literature review and empirical research, Yang and Cao (2016) found that higher CEO reputation could bring higher probability to the company concerning earnings management. This thesis studies the moderation of CEO media reputation between corporate charitable donation, corporate rule-breaking behavior and financial performance. The research findings could shed new light on the moderation of CEO reputation.

This thesis purposes to study how Chinese listed companies' corporate charitable donation and corporate rule-breaking behavior influence financial performance. The research results provide management inspiration and advice for enterprises and stakeholders.

For enterprises, this thesis selects the latest data to examine the relationship between corporate charitable donation, corporate rule-breaking behavior and financial performance, so as to provide certain reference for enterprises to optimize the practice of corporate charitable donation and reduce corporate rule-breaking behavior. On the one hand, only when enterprises regard corporate charitable donation and financial performance as not completely conflictive, but corporate charitable donation promotes corporate financial performance, can enterprises be encouraged to participate in corporate philanthropy better. On the other hand, enterprises should not ignore corporate rule-breaking behavior, and take strategies as early as possible to reduce its damage to reputation and performance. In addition, we can also make up for the adverse effects through the practice of corporate charitable donation.

For stakeholders, corporate charitable donation sends a signal to stakeholders that the corporate performance is good, which affects the decision-making of stakeholders. On the other hand, corporate rule-breaking will also affect the judgment of stakeholders, especially investors.

In terms of information disclosure, listed companies' corporate charitable donation is disclosed in the CSR report. The promotion of corporate charitable donation on corporate reputation and financial performance will encourage more enterprises to take their CSR, and timely disclose their social responsibility report to the public, so as to yield a positive impact. Moreover, the adverse effects of corporate rule-breaking behavior will warn enterprises to stay away from those irresponsible behaviors and motivate them to become more socially responsible.

1.5 Method

The main research tools used in the thesis are literature review and second-hand data research.

Literature review. Research and literature on corporate charitable donation, corporate rule-breaking behavior, financial performance, corporate reputation and CEO reputation are searched on platforms such as CNKI, Google Scholar, Emerald. Then, the literature is sorted out and analyzed according to the author, title, research topic, variables, data source, data analysis method and conclusions, and formed a literature list in Excel. By analyzing the former studies, the thesis identifies the research model and proposes the research hypotheses.

Second-hand data research. Sampling the listed companies in Shanghai and Shenzhen Stock Exchange from 2014 to 2019, second-hand data is used to conduct the empirical research. The data of corporate charitable donation, rule-breaking behavior, financial performance and control variables is from CSMAR database, while the data of corporate media reputation and CEO media reputation is from CNRDS database. Using statistical analysis software such as Stata, this thesis carries out statistical description, correlation analysis, regression analysis, and robustness test on the data to verify research hypotheses and draw research conclusions responding to questions.

1.6 Technical route

This thesis first discussed the research background, research significance and research content. On the basis, the thesis reviewed and summarized the literature on corporate charitable donation, corporate irresponsible behavior, corporate reputation, and CEO reputation. Under the theoretical framework of signaling theory and stakeholder theory, this thesis proposed a theoretical model which focused on the relationship between corporate charitable donation, corporate rule-breaking behavior and financial performance, corporate charitable donation, corporate rule-breaking behavior, and corporate media reputation, the mediation of corporate media reputation and the moderation of CEO media reputation, thereby put forward the research hypotheses. After that, this thesis used Chinese sample to examine how corporate charitable donation and rule-breaking behavior influence financial performance empirically. Through statistical description, correlation, regression, and supplementary analysis, this thesis analyzed the research results, draws research conclusions and proposed future prospects.

The research technical route of this thesis is shown in Figure 1.1.

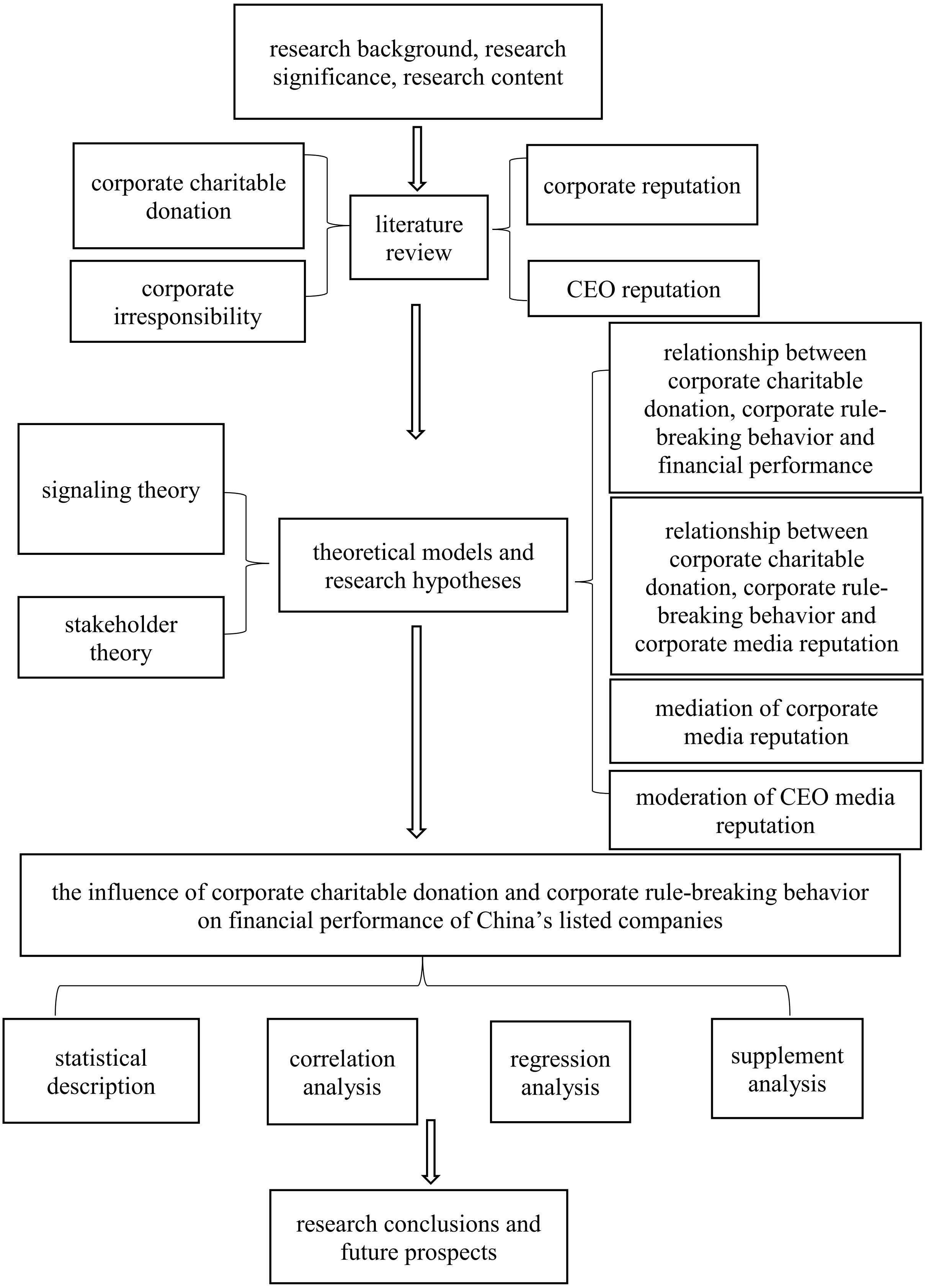

Figure 1.1 Technical route

1.7 Chapter summary

This thesis aims to study how corporate charitable donation and rule-breaking behavior influence financial performance of Chinese listed companies. This chapter first introduced the theoretical and practical background of the thesis, then proposed the research questions. Meanwhile, this chapter demonstrated the theoretical and practical significance and illustrated the methods, content, technical route and innovation of this study, so as to clarify the research framework and contents of the thesis, laying foundation for next chapters.

[This page is deliberately left blank.]

Chapter 2: Literature Review

2.1 Corporate charitable donation and its outcomes

Through a systematic review of research on corporate charitable donation, this section focuses on the definition, advancement and measurement of corporate charitable donation, strategic charitable donation, corporate charitable donation in Chinese context, and the outcomes of corporate charitable donation.

2.1.1 Corporate charitable donation

2.1.1.1 Definition and development

In 1993, Financial Accounting Standards Board (FASB) first defined charitable donations as "the act of an enterprise donating free resources, cash and other intangible assets to a third party for free". In 1999, China passed the law to define charitable donations as "the act of donating their own assets by individuals, organizations or enterprises to the society". In 2016, defined charitable donation is as "an activity in which natural persons, legal persons and other organizations donate property voluntarily and freely for charitable purposes" in the *Charity Law*. Although the wordings of these definitions are different, it can be concluded that there are some common features: Firstly, the subjects of charitable donations can be individuals, legal persons and organizations. Meanwhile, the nature of charitable donations is voluntary and free. Moreover, charitable donations can be tangible or intangible assets. Corporate charitable donation is a type of CSR. Combining above common features and definitions of CSR, we define corporate charitable donation as a voluntary and charitable allocation of organizational resources targeting at satisfying human needs in society. Large contributions from numerous firms each year have been devoted to charitable causes, such as education, community improvement, science, or environmental protection. Petroshius et al. (1993) investigated 1,400 organizations engaging in health care business in the US and find that the US firms continued to donate substantial money to the healthcare industry. Urriolagoitia and Vernis (2012) report that the largest share of philanthropy budget (26%) is allocated to education in Span from 2006-2008, then followed by culture programs (19%) and economic development (15%). Firms are traditionally expected to give some profits back to the society in charitable giving. Therefore, charitable donation can be embodied as monetary contribution, substantial donation, marketing and voluntary services.

A main reason why corporations engage in philanthropy results from organization-external pressures. Corporate charitable donation is a subset of CSR. CSR can be divided into four levels: economic, legal, ethical, and discretionary (Carroll, 1979). Corporate charitable donation is at the lowest discretionary level because it is a voluntary activity that is neither required by law nor expected in an ethical sense (Buchholtz et al., 1999). Thus, a firm is able to voluntarily choose how to give slack resources to charitable causes. However, whether the corporation should give to the community confuses the board and top management. Some scholars argue that firms should fulfill their social responsibility by creating value for shareholders and not by giving. In their opinion, money spent on corporate charitable donation doesn’t belong to managers and can only prove its value by increasing returns to shareholders. Therefore, corporate charitable donation misuses the money of shareholders if it is not able to increase shareholder wealth (Jensen, 2002).

Corporate charitable donation in the theory and management practice continues to evolve. At the beginning, the main activities of corporate charitable donation consist of charity dinners and fund-raising campaigns. Nowadays, the ethical investments and contributions made back to communities become the new contracts between corporations and society. In the late 1970s, corporate executives begin to believe that shareholders and firms will benefit from charitable giving during a long period because corporate charitable donation can serve as a bridge to communicate the firm’s illusions, image, message, mission, values and intentions with those on whom they depend. Then the social benefits of corporate charitable donation can be combined with its economic benefits to support a company’s strategy (Porter & Kramer, 2002).

2.1.1.2 Motivation

Corporate charitable donations may have different motivations. Concerning the biggest beneficiaries, corporate charitable donations can be motivated by: altruistic motivation, self-interested motivation, and win-win motivation.

(1) Altruistic motivation

Corporate charitable donation motivated by altruism is entirely out of the purpose of helping others and repaying the society, and it only seeks to contributing without seeking return. The starting point of altruistic motivation is the moral emotional experience, which has nothing to do with the business interests of the enterprise. On the one hand, corporate charitable donations with altruistic motivation may stem from the moral requirements of entrepreneurs. Andreoni (1990) held that donors can obtain self-satisfaction from donation behavior.

Influenced by the benevolence doctrine of Confucianism in traditional Chinese culture and the compassion of Buddhism, Chinese entrepreneurs can feel spiritual satisfaction through charitable donations and meet their own internal requirements. Research by S. H. Li (2012) showed that entrepreneurs help people in need through charitable donation can meet their spiritual needs to a great extent. On the other hand, altruistically motivated corporate donations may stem from corporate values and social responsibilities. While acquiring social resources and creating value, companies also continue to assume social responsibilities, feedback the society, and enhance the intrinsic value of the company. Hu et al. (2017) believed that corporate charitable donations can relieve the pressure of the government and society to a certain extent, and bring a positive impact on society.

(2) Self-interested motivation

Self-interested motivation can also be called strategic motivation. As a “rational person”, every decision made by an enterprise is to maximize benefits, which is also the principle for charitable donation. Self-interested motivation mainly includes three aspects: corporate reputation, government contact, and manager self-interest.

From the perspective of corporate reputation, charitable donations by companies are conducive to shaping a good image and enhancing corporate reputation. After the corporate reputation is improved, on the one hand, it can increase consumer recognition and consumer loyalty, thereby improving the corporate financial performance. The improvement of corporate reputation can help companies reduce penalties and public relations costs in the event of rule-breaking behaviors or crises. Godfrey (2005) found through research that charitable donations by companies can enhance their strategic position and gain corporate reputation. C. Fu and Ji (2017) found that companies’ active participation in charitable donations can reduce penalties for non-compliance incidents. From the perspective of government connections, corporate charitable donations can help reduce the pressure on the government, increase the political influence of the company, and strengthen the connections between the company and the government. Local governments are in charge of abundant project resources and policy resources. Closer government-enterprise connections can help enterprises obtain more development resources, thereby reducing enterprise costs and improving enterprise performance. Cao and Meng (2019) pointed out that corporate charitable donations have an obvious government-enterprise link effect, which can consolidate the enterprise- government relationship, and is a rent-seeking funds to some extent. S. Wang et al. (2019) argued that a good relationship with the government can help companies obtain resources, and the closer the relationship, the more resources the company can obtain. From the perspective of manager’s self-interest, managers, as decision makers of corporate policies, can not only enhance the corporate image through charitable donations, but also take the opportunity to enhance their personal reputation, thereby enhancing their own personal image and social status.

(3) Win-win motivation

Corporate charitable donation may be motivated by both altruistic motivation and self-interested motivation, which means corporate charitable donation can not only help those in need, but also create benefits for the company. Jia and Zhang (2014) held that when a major natural disaster occurs in the country, corporate charitable donations can alleviate the difficulties caused by the disaster. Moreover, it can also deepen the relationship between the government and the enterprise, thereby reducing the risk of the enterprise and gaining more government subsidies.

2.1.1.3 Measurement

Williams and Barrett (2000) study the relationship between corporate charitable donation, criminal activities and corporate reputation, using 184 companies consecutively listed on the Fortune 500 from 1991 to 1994 as the sample. Williams and Barrett refer to the top 500 corporate philanthropy catalog and national corporate donation catalogs, and measure corporate charitable donation by using the sum of cash and in-kind donation divide by the company's income during the period. In that sense, corporate charitable donation reflects the donations per sale. For example, funding a university scholarship program rather than a controversial project may be more likely to improve corporate reputation. However, in Williams and Barrett's study, corporate charitable donation is not classified in detail to indicate which types of donations can better enhance corporate image. Brammer and Millington (2005) measure corporate charitable donation by the amount of philanthropy in 2002 obtained through the Date Stream database, with the unit being a thousand pounds. However, Brammer and Millington's study does not adopt cross-sectional data.

Based on the data from Australian corporate philanthropy, Hogarth et al. (2016) conduct a research using the ratio of corporate philanthropy to the company's pre-tax profits instead of the absolute amount of corporate philanthropy. They study the top 100 companies and companies disclosing their actual donation. In fact, many companies are reluctant to disclose the amount of their donations, and future research can explore the reason.

J. Lu et al. (2019) select research sample among listed companies that have philanthropy data from 2003 to 2010. For the measurement of corporate charitable donation, the charitable donation of listed companies in a specific year on the CSMAR database is used. For the convenience of comparison, the monetary unit adopts U.S. dollar and the logarithm of philanthropy amount is taken. Besides, many scholars also take the logarithm of companies' annual donation to measure corporate charitable donation (Adams & Hardwick, 1988; H. Wang & C. Qian, 2011). The measurement of corporate charitable donation is shown in Annex Table 1.

2.1.2 Strategic philanthropy

Corporate philanthropy constitutes an important part in CSR. Research on strategic philanthropy begins in the 1980s. Timothy and Donn (1987) first propose corporate philanthropy as an important managerial decision. Smith (1994) finds that corporate strategic philanthropy can increase brand awareness, employee productivity, and reduce R&D costs. Strategic philanthropy can bring companies a strong competitive advantage.

Porter and Kramer (2002) systematically elaborate on strategic philanthropy pointing out that the economic goals and social goals of enterprises are interrelated rather than conflicted. They hold that strategic philanthropy can help companies gain a competitive advantage by changing the competitive environment. Moreover, they introduce the Michael Porter diamond Model into corporate strategic philanthropy. In terms of production factors, companies obtain high-quality, specific output through philanthropy, such as improving communities, environment, education level. In terms of demand conditions, companies use philanthropy to influence the local market scale and explore the needs of potential consumers. In terms of strategy and rivalry, corporate philanthropy will arouse public attention to an industry, thereby helping to create a fair and transparent competitive environment. In terms of related and supporting industries, companies use philanthropy to improve local infrastructure, optimize and support the development of related and supporting industries. R. Zhang et al. (2009) review the existing research and propose motivations for corporate philanthropy from strategy, policy, altruism and utility. As one of the motivations for corporate philanthropy, strategic philanthropy should consider the company's social and economic goals. Meanwhile, corporate philanthropy should fulfill social responsibilities in a way that can increase corporate resources and profits.

Strategic philanthropy emphasizes the direct and indirect value-added effects of philanthropy on companies, which will thereby improve corporate performance (Porter & Kramer, 2002). Direct value-added view underlines the direct and considerable economic benefits that corporate philanthropy can bring. For this view, the charitable donation-competitive advantage model is an example (Porter & Kramer, 2002). Indirect value-added view highlights that corporate philanthropy can also bring benefit, but the process is indirect and circuitous, which requires intermediate carriers. For this view, the charitable donation-recruitment model is an example.

It can be seen that strategic philanthropy can achieve both the corporate economic goals and social goals by optimizing the competitive environment and improving the corporate performance by adding value directly or indirectly. For companies, strategic philanthropy is not only an important way to realize social responsibility, but also a significant strategy to gain core competitive advantages.

2.1.3 Corporate charitable donation in China

Although benevolent sprit in China originated in the end of the 17th century, the conception considering corporate charitable donation as an indispensable part of Chinese businesses began to appear and increase until 1990s when Chinese economic transition started. Based on the survey data of 2870 Chinese entrepreneurs in 1995, D. L. Ma and Parish (2006) find Chinese private entrepreneurs' generosity in giving charitable donations in the 1990s to win higher social status and more opportunities to enter the political field. Since then, the research on corporate charitable donation in China gradually attracts more and more attention from scholars.

Although the 2008 Wenchuan earthquake is a dreadful disaster, it provides researchers a chance to use Chinese firms' responses to study corporate charitable donation in the Chinese context. Using data on 703 Chinese listed companies which responded to 2008 Wenchuan earthquake, R. Zhang et al. (2009) examine how the ownership of a firm influences the possibility and the amount of its charitable giving. They show that, state-owned companies are less likely to donate and also gave less to mitigate this disaster compared with private ones. Using data on Chinese firms' charitable giving to Wenchuan earthquake, R. Zhang et al. (2010) show that both the donation amount and the possibility of a firm's giving have positive impact on advertising intensity and the impact is stronger if firms are in more competitive markets. Collecting charitable activities during the 2008 Wenchuan earthquake of listed companies in China, J. Wei et al. (2018) find tenure, education and celebrity of CEO are all significantly associated with donations by Chinese companies. Studying Chinese listed companies during 2008 Sichuan earthquake, Y. Gao and Hafsi (2017) find that enterprises with more dependence on the government are more willing to donate to the disaster defense, among which the enterprises with more attention from the government and the public and with more idle resources donate more. Tan and Tang (2016) use the donation data of Chinese listed companies during the Wenchuan Earthquake to explore the relation between enterprise micro-governance and enterprise philanthropy and find enterprise controllers will not donate their own money to improve enterprise performance.

Many Chinese scholars recently began to study the factors influencing the size of donations. For instance, by reviewing data on 52 foundations set up by Chinese firms, Z. F. Zhou (2015) argues that corporate charitable donation in China is still at an early development and the firms' donations in social development are mostly associated with organizations related to government. S. H. Li et al. (2015) find through the Chinese listed company data that enterprise's political connection positively relates to its likelihood and amount of donation. Using data on 237 firms undertaking initial public offerings (IPO) on Chinese stock exchanges during the period of 2009-2011, Jia and Zhang (2014) test the relation between corporate giving and IPO performance in IPO process. They show that during IPO-preparation, the amount of charitable donation is negatively associated with underwriter prestige, venture capital investment, and IPO financing costs; during IPO-trading, charitable donation only has positive influence on the market premiums for IPO companies which experience news (Jia & Zhang, 2014); during the IPO-issuance, the U-shaped relation between corporate charitable donation and market premiums is moderated by the negative news during the process of IPO. Institutional and resource dependence theories indicate that government and peers' behavior play key roles in firms' social behavior. With the data of Chinese private SMEs, Y. Gao and Hafsi (2015) find that government intervention increases corporate philanthropy in terms of both giving probability and amount. Using the data of A-share companies in Shanghai Exchange Market and Shenzhen Exchange Market, J. H. Luo et al. (2017) find enterprises executed by executive levels with military background donate less than enterprises whose executive levels have no military background. Z. Chen et al. (2018) find national mandatory actions could be quite effective in corporate philanthropy, because China has weak market formal institution environment and corruption can be disguised as corporate philanthropy. Using the data from 1,944 listed A-share Chinese companies between 2014-2016, C. Wu et al. (2019) argue that more female executives could lead to more philanthropy and the controller of the enterprise and the competition of the industry will moderate the above promotion effect. Moreover, they find female executives in non-state owned companies and normal industry competition are more likely to promote philanthropy than companies in state owned companies and strong or weak competition, respectively. Ge and Micelotta (2019) investigated 3075 Chinese private enterprises and find enterprises sensitive to institutional pressures are more likely to donate more considering the enterprise's connection between its popularity and political linkage.

Taking Chinese listed companies as a sample, Chan and Feng (2019) indicate that, on average, a company increases its corporate charitable donation substantially when the political environment is uncertain. Meanwhile, a company's donation in this year can increase and promote its government subsidies, tax reduction and loan in the next year.

How corporate charitable donation influence Chinese companies' financial performance is researched. Su and He (2010) surveyed 3,837 Chinese private firms in 2006 and argue the relationship between charitable donation and profitability of a firm is positive and corporate charitable donation activities of Chinese private firms purpose to protect their property rights better and nurture political connections, which will then increase their profitability. F. Gao et al. (2012) use the donation announcement data from Chinese A-share listed firms to examine how these announcements influence stock return. They show that these announcements have positive impacts on the firms' stock returns and firms in the consumer-oriented industries experience higher abnormal stock returns. S. S. Zhou et al. (2015) investigate corporate charitable donation and financial performance in Chinese setting. They analyze data on 304 Chinese listed companies from 2006 to 2012 and find corporate charitable donation and corporate financial performance influence each other positively. Y. Gao and Yang (2016) analyze Chinese listed companies from 2001 to 2010 to examine if employees exert effect in realizing the value of corporate charitable donation activities. They argue that corporate charitable donation in positive relation with labor productivity and this relationship is strengthened by self-compared salaries and firm visibility. M. Zhang et al. (2016) study all Chinese listed companies from 2002-2012 to investigate how corporate philanthropy relate to stock price crash risk and find the relation to be negative and is prominent for non-state-owned enterprises than for state-owned enterprises. By analyzing the official data of firms' self-reports released in 2008, Dai and Kong (2016) posit that donations from companies without analysts can enhance stock liquidity and institutional ownership in the short term and significantly increase future performance compared to companies covered by an analyst.

The objectives of corporate charitable donation in China also begin to obtain scholars' attention. Noticing that more and more Chinese listed companies register in charity institutions _ENREF_269Xu and Xin (2011) analyze 1104 A share listed companies from 2008 to 2013 to judge whether corporate charitable donation activities in China are rational. They suggest that the rational charitable contributions gradually decrease in China, however, the behavior of irrational donation increased. The strong motivation behind these trends is that firms register and establish charity foundations anchoring to transfer their profits. On the contrary, based on all Chinese listed companies from 2003 to 2006, J. Chen et al. (2018) argue that corporate charitable donation can be considered as a mechanism to prevent controlling shareholders and managers from tunneling the firm because tunneling behavior will hurt their reputation and career prospects and corporate charitable donation can attract the attention of public and minority shareholders to monitor the firms.

In addition, the relationship between corporate charitable donation and other variables has been discussed in Chinese context. With the data of Chinese listed firms from 2003 to 2009, C. L. Qian et al. (2014) find that corporate giving can enhance financial transparency and this relationship is stronger for non-state-owned companies. corporate charitable donation may weaken behavior of corporate environmental responsibility. For example, X. Du et al. (2016) use Chinese listed firms in pollution industries to show that corporate charitable donation is significantly influenced by corporate environmental responsibility weakness positively. Using Chinese listed data from 2006 to 2015, Y. Gao et al. (2017) study the relation between corporate charitable donation, then research and develop spending, finding this relationship inverted U-shaped and is strengthened by firm visibility but weakened by firm size. J. Chen et al. (2018) find with Chinese listed company data from 2004 to 2012 that the positive correlation between philanthropy and investment efficiency is higher when institutional environment is better for the companies. Pan et al. (2018) study Chinese listed companies owned by families from 2004 to 2013 and find family firms adopt more corporate charitable donation activities by successors, especially by second-generation successors.

2.1.4 Corporate charitable donation outcomes

2.1.4.1 Corporate performance

Firm performance is the operating results of a firm in a certain period of operation. The relation between corporate charitable donation and corporate performance is a research focus, but no unified conclusion has been formed. Generally, the relationships between them can be positive, negative, and uncertain.

1. The positive impact

Many studies suggest corporate charitable donation in positive relation with corporate financial performance. File and Prince (1998) find corporate charitable donation conductive to cause-related marketing, enhance corporate image, promote product sales, and achieve corporate economic and social goals. Cause-related marketing refers to corporate philanthropy organized around the goal of increasing product sales or enhancing corporate image (Varadarajan & Menon, 1988). Fombrun et al. (2000) hold the view that as an important way for companies to fulfill their citizenship behavior as well as a strategy to improve the reputation and establish a good image, philanthropy has a positive impact on financial performance. From strategic philanthropy, Porter and Kramer (2002) propose corporate charitable donation to improve the competitive environment while achieving corporate economic and social goals. For instance, companies can expand the market and explore the needs of potential consumers through philanthropy. Analyzing corporate philanthropy data of U.S. listed companies from 1989 to 2000, Lev et al. (2010) find that corporate charitable donation increases the company's economic income, and the increase in income is greater when the customers are individual consumers. The domestic research on corporate charitable donation and corporate performance is consistent with those abroad. For example, L. H. Qian et al. (2015) explore the influencing mechanism of corporate charitable donation on financial performance based on stakeholder theory and contingency management. Research shows that companies use philanthropy to improve their relationships with stakeholders, thereby improving corporate financial performance. This positive influence is stronger in mature companies and companies with higher visibility. Based on stakeholder theory and resource dependence theory, S. M. Chen and Zhou (2018) find higher corporate charitable donation can bring higher corporate innovation. Sampling China's A-share private listed companies from 2011 to 2016, Guo and Cui (2019)'s study shows that companies promote their technological innovation through philanthropy, which increases the company's economic benefits and social benefits.

2. The negative impact

Some studies suggest corporate charitable donation negatively impact corporate performance. Friedman (1970) proposes that the goal CSR is to increase corporate profits, and corporate philanthropy adversely affects financial performance. In Friedman's view, corporate charitable donation will transfer and reduce the corporate resources for production, operation, and value creation for shareholders, which has a negative effect on enterprise performance. A study by Werbel and Carter (2002) suggests that when CEOs use part of the corporate profits for philanthropy, only the CEO's personal interests and influence are enhanced, with corporate interests not involved. Upon the agency theory, Brown et al. (2006) argue that philanthropy will decrease the company's current assets and income, because it only helps to increase executives' personal reputation. The domestic research conclusions on philanthropy and corporate performance are consistent with those abroad. Fang (2009) studies the market response to the donations after Wenchuan earthquake and finds that although corporate charitable donation has won social praise, it did not receive positive reviews from investors. From the donation information of Shanghai and Shenzhen A-share listed companies after the Wenchuan earthquake, Shi et al. (2010) notices that the philanthropy during the disaster is harmful to the company's stock price. Based on 2350 listed companies in Shanghai and Shenzhen, Z. W. Lu and Liu (2017) reveal the relation between corporate philanthropy and corporate performance is different when the status of performing social responsibility is different. Sincere philanthropy can bring good corporate performance returns, whereas hypocritical philanthropy or philanthropy that only aims to enhance corporate image even at the expense of the employees' benefit, often bring the counterproductive effect.

3. Other impacts of corporate charitable donation on corporate performance

Besides the positive and negative relationships, scholars also find irrelevant relationship, causal relationship, and inverted U-shaped relation between corporate charitable donation and financial performance. According to Griffin and Mahon (1997)'s study on the chemical industry, corporate charitable donation is not related to corporate financial performance. Seifert et al. (2004) study the financial factors of philanthropy of the top 1,000 companies in Fortune and find that monetary donations do not affect corporate financial performance, that is, corporate donations have no significant impact on corporate profits. Taking Shanghai A-share 2006 listed companies as a research sample, J. F. Zhu and Zhao (2010) find that corporate charitable donation does not significantly improve corporate financial performance. Considering China's institutional environment, J. Wang et al. (2016) use listed private enterprises in Shanghai and Shenzhen from 2008 to 2012 as a research sample and find corporate charitable donation and corporate financial performance are mutually causal. Q. Li et al. (2018) take global listed companies from 1998 to 2005 as a research sample and find CSR has an inverted U-shaped relationship with financial performance.

2.1.4.2 Corporate performance

Corporate reputation is defined as a composite of opinions, views and attitudes of stakeholders towards the corporation. The stakeholders include employees, customers, suppliers, investors, community members, media. (Post & Griffin, 1997).

1. Corporate charitable donation on its reputation

Domestic and foreign scholars have explored the effect of corporate charitable donation on corporate reputation confirming that corporate charitable donation can enhance corporate reputation. A study by Williams and Barrett (2000) reveals the positive impact of corporate charitable donation on corporate reputation using the companies consecutively listed on the Fortune 500 from 1991 to 1994 as the research sample. Hutton et al. (2001) divide corporate public relations expenditures into proactive and reactionary expenditure, and find that proactive expenditures of corporate public relations (such as philanthropy, investor relations, executive outreach and media relations.) have a strong positive correlation with corporate reputation, while reactionary expenditure of corporate public relations (mainly public relations expenditures on corporate crisis) have a weak or even negative correlation with corporate reputation. The research of Brammer and Millington (2005) shows that the more a company spends on philanthropy, the better its reputation, and this relationship is significantly different in various industries. Moreover, philanthropy is also found to produce a more positive company image to the stakeholders. Szócs et al. (2014) divide customer-oriented corporate reputation into customer-oriented, good employers, reliable and financially strong companies, product and service quality, social and environmental responsibility (Szócs et al., 2014). In their study, corporate charitable donation is found to improve the public's perception of all dimensions of corporate reputation, but it differs between customers and non-customers (Szócs et al., 2014). From strategic interaction, J. W. Shi et al. (2009) divide CSR into seven dimensions, including philanthropy, environmental protection, and kindness to employee development, and verifies that CSR has a direct relationship with corporate reputation.

2. Corporate reputation as a mediator or moderator

Besides the positive effect of corporate charitable donation on corporate reputation, corporate reputation also mediates philanthropy and corporate outcome variables. Many studies address to the relation between CSR and corporate performance, and corporate philanthropy is a significant method for companies to perform their social responsibilities. Y. Zhu et al. (2014) collect data from the general managers and deputy general managers of 199 tourism companies in southeastern China. The research results show that highly ethical leaders create better corporate reputation in stakeholder's social responsibility practices, thereby improving corporate performance. Sayedeh et al. (2014) survey 205 manufacturing enterprises and consumer goods enterprises in Iran and find corporate reputation completely mediates CSR and financial performance, which shows that CSR promote performance and customer satisfaction via improving corporate reputation and competitive advantages. After investigating the annual data of the most admired companies in 31 countries, Hanh and Hien (2020) find corporate reputation mediates CSR disclosure and corporate financial performance. Based on European and Asian companies on the list of the most admired countries for wealth from 2014 to 2018, Rehman et al. (2020) find through regression analysis that CSR can increase corporate reputation and corporate performance. It also proves that corporate reputation mediates between CSR and corporate performance. Fourati and Dammak (2021) explore the effect of CSR on corporate financial performance. By conducting empirical research on 3274 listed companies from 25 countries in Europe, Asia, Africa, South America and North America from 2019 to 2016, it is found that CSR has a directly affect corporate financial performance positively. Meanwhile, corporate reputation has a partial mediation between CSR and corporate financial performance. The empirical study by H. Zhang and Zhang (2015) uses companies listed in China in 2010 as a research sample and verified the mediation of corporate reputation between corporate philanthropy and financial performance. Based on Chinese manufacturing companies, Gong and Bi (2018) find the part mediating effect of corporate reputation between CSR and low-carbon innovation performance.

Meanwhile, a few studies also show that corporate reputation moderates between corporate charitable donation and corporate outcome variables. These studies focus on CSR and corporate outcome variables, and corporate philanthropy is a crucial channel for companies to complete their social responsibilities. Singh and Misra (2021) research the moderation of corporate reputation on the relation between CSR and corporate performance based on European multinational companies in India. The research suggests that when companies exercise CSR to external stakeholders, corporate performance will be impacted, and this impact is different among companies with different reputation. Corporate reputation moderates between CSR for communities, employees, and customers and organizational performance. When the reputation is better, the relationship is stronger.

2.2 CSIR

2.2.1 Definition

Corporations are often criticized for their irresponsible activities, such as production safety, cheating customers, environmental pollution, and food security. Clement (2006) reports that about 40% of the Fortune 100 firms appeared in the business news from 2000 to 2005 to commit unethical actions, including three categories of fraud (accounting, securities and consumer), discriminatory practices, patent infringement, failure to disclose executive compensation, antitrust activities, and these acts often lead to government regulation and charge and fine related to misconducts.

The perception of CSIR was first introduced by the work of Armstrong (1977). He conducts a role-playing experiment in ten countries and finds that a high proportion of the participants intend to make irresponsible decisions when they act as managers due to role pressure. CSIR is referred to as “although considering the impacts on all aspects, the manager still made an inferior decision, which involves the cost of the whole system to benefit only one side" (Armstrong, 1977). Vanessa et al. (2006) define CSIR as corporate actions which have negative impacts on an identifiable social stakeholder's legitimate claim. Wagner et al. (2008) identify 14 retail business practices which are associated with the customers' perceptions of CSIR in retail setting, such as local working conditions, employee discrimination and societal rules.

CSIR happens when the behavior of stakeholders is not responsibility-neutral but immoral in order to only care the interests of the firms (Greenwood, 2007). For instance, Karmen (1981) suggests that automobile manufacturers engage in irresponsible activities by not keeping autos from being stolen to maximize their own profits. Using the data of 88 convicted firms and 44 non-convicted firms in the US from 1974 to 1983, Baucus and Near (1991) study the characteristics of the firms which are more likely to carry out convictions. They find large companies in a dynamic, munificent environment are most possible to commit illegal behavior, and firms with poor performance don't have the will to do so. Dennis (1996) argues that capitalist ideology and corporate form are the source of CSIR and should be abolished. Managers may also intend to ignore the social responsibility on behalf of their interests. For example, drawing data from 374 US firms in 1999, Mcguire et al. (2003) show that the relation between CEO incentives and strong social performance is not significant. Based on the data of 2,500 U.S. firms which disclosed past wrongdoing by voluntarily restating its earnings from 1994-2001, Pfarrer et al. (2008) argue that the main driver behind a firm's voluntary restatement of its earning comes from informal social pressure from other firms in its industry rather than formal sanctions. Ireland (2010) argues that limited liability should be decoupled from rights of control to reduce CSIR. Centrality of leadership and the primary power motivation of leaders may also lead to CSIR while self-leadership and shared leadership can reduce CSIR (Craig & Charles, 2011). The work of Mishina et al. (2010)_ENREF_66 explain why "good" firms commit illegal acts. Using the data from 194 U.S. manufacturing firms from 1990 to 1999, Mishina et al. (2010) demonstrate that firms with the performance above both internal aspirations (accounting targets) and external expectations (stock price) are more possibly to participate in the illegal activities, this possibility is enhanced by the firms' prominence. Lange and Washburn (2012) use attribution theory to explain how CSIR attributions result from a series of subjective assessments of individual observer, including the assessments of undesirable effects, business penalty, and affected party's complicity. Studying 692 listed firms in the US in 2010, Keig et al. (2015) show that both formal and informal corruptive environments are positively associated with the magnitude of a multi-national enterprise's CSIR. Mombeuil et al. (2019) conduct an exploratory study consisting of 4 discussion panels with employees from 7 industries to investigate the impact of several factors on CSIR. They show that CSIR is positively associated with low public CSR awareness, weak & limited stakeholder advocacy groups, weak institutional environments, and endemic and systemic corruption (Mombeuil et al., 2019). In addition, within some contexts, these associations tend to persist and CSIR remain unpunished.

International development of a firm also influences its CSIR behavior. Christensen and Murphy (2004) discuss the negative impact of corporate tax avoidance on society and argue that multinational firms should be guided by social responsibility in the tax area. Using data from 222 US listed firms from 1993-2003, Vanessa et al. (2006) conclude that a company's degree of internationalization is conducive to CSIR and CSR. Based on 269 subsidiaries operating in 27 countries and belonging to 110 multinational enterprises (MNEs) from 2003 to 2007, Surroca et al. (2013) examine how CSR pressure from MNEs' stakeholders influences their irresponsible activities. They show that, to reduce the CSR pressure from stakeholders in the home country, an MNE will transfer CSIR activities from its headquarter to its overseas subsidiary. Fiaschi et al. (2016) study 44 firms from Brazil and Mexico during the period of 2003-2012 and verify how the globalization of emerging country firms influences their CSIR behavior. They conclude that the CSIR events of the emerging country firms are negatively associated with the investments in countries with strong speech and press freedom and this relationship is stronger if these firms have adopted explicit CSR activities (Fiaschi et al., 2016).

Some scholars study the reaction of organizations and stakeholder to firms' irresponsible behavior. CSIR activities can attract different levels of attention from stakeholders (Desai, 2014). If stakeholders pay more attention to the activities, they are more likely to respond (Hoffman, 1999). However, stakeholders tend to forget CSIR events of the firm over time. Studying more than 1,000 corporate social events (e.g., employee benefits and safety concerns) in the US in 2008, Groening and Kanuri (2013) find that although CSIR is viewed negatively by stakeholders, investors' response to CSIR may not be negative, sometimes even positive. Barnett (2012) also argues that stakeholders often ignore firm misconduct and it often will not lead to punishment because stakeholders pay limited and varied attention to firm misconduct in each stage of their cognitive process, such as noticing, assessment and judgment. SÉbastien et al. (2016) propose that CSIR can create a stakeholder community to shared memories of past events. This collective memory tends to forget events by manipulating the short-term event conditions, suppressing vocal memory, and destroying traces of past collective memory.

2.2.2 Measurement

H. Lin et al. (2016) investigate Chinese listed companies to delve into the relation between environmental irresponsibility and corporate reputation. The environmental irresponsibility is mainly from the Ministry of Environmental Protection of China and the media and other data from the CSMAR database (H. Lin et al., 2016). Using Sustainalytics database, Walker et al. (2016) measure CSR and CSIR based on the following five stakeholders: employees (item S.1.*), suppliers (item S.2.*), customers (item S.3.*), community (item S.4.*) and environment (item E.*). Items related to disputes (including item S.1.7, item S.2.3, item S.3.3, item S.4.3, item E.1.12, item E.2.2, and item E.3.2) are used to construct the total CSIR variable, and other items are used to construct the total CSR variable. The value of CSR and CSIR are the weighted average of the original scores divided by the sum of their weights. For the measurement of CSIR, many scholars use KLD social rating databases to measure corporate social performance (C. Kang et al., 2016; Kotchen & Moon, 2012). The KLD database provides annual data on companies "doing good" and "doing bad" in seven social fields such as community and diversity. Each social field contains specific indicators for doing good and bad. CSR score is calculated by adding all the "doing good" indicators and CSIR score is calculated by adding all the "doing bad" indicators.

Harjoto et al. (2018) study social irresponsibility based on Chinese companies' data from RepRisk. In the study, news data is classified into 27 potential CSIR categories and 7 dimensions, including environment, corporate governance, community relations, employee relations, products, violations of regulations and supply chain. RepRisk uses 1, 2, and 3 to indicate low, medium, and high severity of CSIR. Companies with no news report score 0, with reports by local media (or NGO) score 1, with reports by national media (major NGO) score 2, and with reports by international (highlighted) score 3. If multiple sources report the same news on the same day, only the source with the largest coverage will be recorded. J. Wu (2014) proposed that CIR is a composite factor consisting of a variety of information provided by the interviewees: (1) Does the company develop new technologies to prevent and reduce the environmental risks of its products? (2) Does the company develop new procedures to reduce the environmental risks of products? (3) Does the company provide accurate, clear and complete information of products' environmental risks to customers? In order to verify the CSIR self-report information, 35 companies are randomly selected. By comparing these company's CSIR annual reports with the information provided by the interviewees, it is found that the two sources are consistent. Then, a composite CIR indicator is constructed using the two sources.

Using the Fortune 500 multinational companies as a research sample from 2000 to 2015, Qi (2017) conducts a study on institutional distance and CSIR of multinational companies in China, with the dependent variable being CSIR news. Referring to KLD's method of dividing corporate social performance data and combined with the actual CSIR practice of multinational companies in China, the measurement of CSIR news is divided into 6 dimensions: product characteristics, women and other disadvantaged groups, environmental protection, community relations, employee relations, governance and ethics. Python is used to explore the CSIR of Fortune 500 multinational companies in China in Baidu News. When doing python, the keywords are limited to "Fortune 500 company name" + "CSIR keywords". Therefore, the CSIR news volume is the sum of the CSIR news volume in the six dimensions of CSIR by multinational companies from 2000 to 2015. The measurement of CSIR is summarized in Annex Table 2.

2.2.3 CSIR Outcomes

CSIR can influence a firm in many different ways, such as its customers, financial performance, and reputation. The detailed review of studies on these issues is as follows.

2.2.3.1 CSIR and consumer behavior

Some scholars explore consumer reactions to CSIR and show that consumers will punish a firm engaging in CSIR. Sweetin et al. (2013) conduct a survey of 660 undergraduate college students to examine the consumers' response to CSIR. They argue that when consumers dealing with irresponsible firms, they will show significant obligingness to penalize these firms by not purchasing their products. Antonetti and Maklan (2016) conduct two field studies to explain how CSIR evaluation leads to moral outrage reaction. They find that anger is one type of emotional reaction to CSIR and is primarily related to the appraisal of unfairness that is significantly influenced by blaming, greedy, and violating behaviors. Ferreira and Ribeiro (2017) conduct an online survey and a laboratory experiment to study the impact of CSIR on consumer behavior towards domestic and foreign brands. They show that, due to CSIR of a domestic brand, consumers will give punishment to the brand by showing less willingness to purchase and paying less. Shea and Hawn (2019) conduct three experiments with 774 participants to examine how social perception of the firm's warmth and competence can explain causal effects of CSR and CSIR on consumers' responses, such as purchase intentions and price. They find that companies engaging in CSIR may be regarded as having lower warmth and competence than other firms and CSIR penalties are higher for the firms from high-warmth countries than those from low-warmth countries.

Recently, scholars found that CSIR of a firm will impact its consumers. Grappi et al. (2013) conduct field surveys of 280 Italian adult shoppers in city-center shopping areas to explain consumer word of mouth (WOM) and protest behavior against CSIR. They show that consumers' negative moral emotions include contemptuous, angry and disgusted emotions, and consumers tend to share these negative emotions with others through word of mouth. Through four experimental surveys, Antonetti and Maklan (2018) examine how national identity affects consumers' intention to spread infamy caused by CSIR. They show that national identity and consumers' intentions is mediated by perceived similarity and sympathy. Trautwein and Lindenmeier (2019) conduct a survey of 496 German residents in 2018 to examine ethical judgment in the impact of affective response to CSIR on consumer boycott, negative word-of-mouth and protest intention. They argue that the relationship between affective response to CSIR and inclination of consumer boycott is positive and this relationship is mediated by ethical judgment of consumers and moderated by consumer preferences of ethical products.

2.2.3.2 CSIR and financial performance

Most of this stream research holds that CSIR negatively impact firm's financial performance. Using sample of 84 U.S. firms during the 1970s, Strachan et al. (1983) examine how corporate crime relates to its stock market price. They find that if the information about illegal acts of a firm is released, the market value of the firm experiences a significant loss and the loss is larger for firms involved in alleged price fixing schemes and those initially accused of misconducts (Strachan et al., 1983). Wallace et al. (1994) use the data of 63 cases of announced Occupational safety and Health Administration penalties in the US from 1979 to 1989 to examine the impact of these announcements on shareholders. They argue that investors' reactions are negatively associated with the announced sanctions around the announcement day and the value reductions of the subject firms are not correlated with the penalty size or whether the penalties are related to employee injury or death. Frooman (1997) reviews 27 event studies from 1981-1994 to examine the relationship between CSIR and stock returns and show that it is negative. In another study, based on the conviction data of the same sample, Melissa and David (1997) investigate the impact of illegal corporate behavior on the longer-term financial performances of a firm. They indicate that if a firm conducts more convictions, it will experience lower accounting returns over five years and the firm's sales will grow more slowly in the third through fifth year. In addition, stakeholders try to smooth over the impact of convictions through defensive tactics, such as advertising and prices reduction. Using the data from 478 cases related to environmental violations of publicly traded firms in the US from 1980 to 2000, J. M. Karpoff et al. (2005) demonstrate that the market value of the firms which violate environmental regulations suffer significant losses and these losses are positively associated with the size of the legal penalty. Using misbehavior data from 23 publicly traded firms in the US from 2009 to 2013, Olsen and Klaw (2017) investigate how investors respond to CSIR in the stock market. They find that the average stock price will significantly fall by 1.6% due to previously undisclosed reports of firms' malfeasance. Drawing data from 562 publicly traded firms in the US from 2000-2010, Price and Sun (2017) study the relation between CSIR and firm performance. They indicate that CSIR will reduce and damage market value and the impact of CSR on market value is positive. They also show that the enduring effect of CSIR incidents is longer than that of CSR activities and the level of CSIR is negatively associated with firm performance. Based on 539 firms, from 2008 to 2013, Kölbel et al. (2017) find out that a firm's media coverage of CSIR is positively associated with its financial risk due to the potential sanctions of stakeholders. Observing 4,400 firms in 16 countries from 2009-2013, Walker et al. (2019) research the relation between CSIR and firm performance in CMEs and LMEs. They argue that CSIR is lower in CMEs than in LMEs and the relation between CSIR and firm performance is negative in LMEs but not in CMEs (Walker et al., 2019).

Some studies argue the relation between CSIR and financial performance to be more complex. Demacarty (2010) argues that the returns on CSR and CSIR are equal on average because CSIR firms can benefit firms from irresponsible activities, such as the irreplaceable products or services, inflated prices in certain conditions, or bid rigging. Drawing data from 1461 listed non-financial service firms in the US from 2003 to 2009, C. J. Chen et al. (2018) explore the curvilinear impacts of CSR and CSIR on corporate financial performance. They demonstrate that CSIR and financial performance is U-shaped by aggregating the benefits and punishments of CSIR together and this relationship is negatively moderated by cost leadership and differentiation strategies of the firms.

2.2.3.3 CSIR and other firms

A firm's CSIR may influence related firms or in the same industry. Using the unethical act data of 200 large U.S. firms during the period of 1990-1993, Sullivan et al. (2007) study the influence of illegal acts on inter-firm networks and observe that, after the illegal behavior of a firm, the quality of the network of the firm declines due to higher quality firms leaving and lower quality firms entering the network. They also argue that partner prominence and network cohesion are negative with the firm's unethical acts and the firm suffers greater partner quality deterioration if the acts are more illegitimate. Using the data from U.S. railroad firms from 1980-2003, Desai (2011) studies how individual firms respond when an entire industry legitimacy is threatened by accidents, scandals and other disruptions. He holds that that companies with a high similarity to the core business of CSIR companies are less likely to carry out preventive institution work after an incident in this field. Using the product recall data from U.S. toys firms from 1998-2007, Zavyalova et al. (2012) show that the levels of wrongdoing and positive media coverage is negatively related and this relation is mitigated by the stage of industrial misconduct. They argue that the media reputation of a focal company is hurt by the product recalls from other companies in the same industry, however, ceremonial actions can mitigate the negative influence of industry misconduct on their media reputation.

2.2.3.4 CSIR and corporate reputation

Several studies report that CSIR can hurt a firm's reputation. Drawing the data from 585 U.S. firms engaged in financial misrepresentation actions from 1978-2002, Jonathan et al. (2008) demonstrate that the expected loss in a firm's present value of future cash flows is more than 7.5 times the sum of all penalties imposed by laws and regulations. They calculate the reputation losses due to the firm's revealed misconduct and argue that each dollar rise in the firm's market value by cooking books is on average at the cost of $2.71 of reputation losses. H. Lin et al. (2016) conduct three experiments with participants from a public university in China to examine how environmental irresponsibility influence consumer-perceived corporate reputation. They find that perceived corporate ethics mediates between environmental irresponsibility and corporate reputation, and CSR moderates corporate ethics and corporate reputation.

2.2.3.5 Other impacts

CSIR may influence the position of a firm's CEO. Drawing data from 248 publicly traded firms in the US from 2001 to 2008, Chiu and Sharfman (2018) investigate the impact of CSIR on strategic turnover in a company. They find that changing CEOs is a major corporate response to CSIR and the likelihood of internal succession is positively associated with the levels of CSIR.

2.2.4 CSR and CSIR

2.2.4.1 CSR and CSIR

As two adverse but important branches in social responsibility, the relation between CSR and CSIR has received attention and research from the scholars.

From the impact of CSR on CSIR, Wan and Liu conducted a cross-sectional analysis of 300 constituent stocks in the Shanghai Stock Exchange and Shenzhen Stock Exchange in 2012, and found that CSR is in positive relation with CSIR, that is, the higher CSR, the less CSIR, and vice versa. Through the research on 150 enterprises, Z. L. Lin (2016) found that when the CSR is in a good state, CSIR can be effectively avoided.

From the influence of CSR and CSIR on corporate reputation, corporate philanthropy is an unignorable constitution of CSR, and corporate illegal crime is a vital aspect of corporate irresponsibility. Williams and Barrett (2000) study the relation between corporate philanthropy, criminal activities and corporate reputation, and found that corporate philanthropy is positively correlated to corporate reputation, while corporate crime is negatively related to corporate reputation. For companies that are more involved in corporate philanthropy, the reputation decline related to criminal activities will be reduced, that is, corporate philanthropy alleviates crime-related reputation decline.

From the influence of CSR and CSIR on corporate performance, Walker et al. (2016) find that when CSR and CSIR coexist, CSR positively impact corporate performance significantly, that is, CSR has a dominant influence on corporate performance. Salaiz et al. (2018) put forward new insights on the influence of CSR and CSIR on corporate performance. They believed that better corporate performance may not minimize CSIR and maximize CSR, but more likely to maximize CSR. The higher the CSR level, the more beneficial for the company to bear the negative corporate performance brought by CSIR. Price and Sun (2017) obtained some interesting findings after the empirical research based on the perspective of “doing good” or “doing bad”: CSIR events have a longer-lasting impact than CSR activities, and companies that rarely undertake CSR and participate in CSIR activities perform better than companies with high levels of both.

Therefore, through the above literature review, it can be preliminarily concluded that CSR can alleviate the negative influence of CSIR. When CSR and CSIR coexist, the CSR level may still facilitate corporate performance if CSR is high enough.

2.2.4.2 Greenwash

(1) Definition

In 1986, Jay Westerveld, the American environmentalist, first proposed greenwash. Greenwash, a new word created by Jay, is a combination of “green” and “whitewash”, and refers to a false or misleading statement of the environmentally friendly product, service or behavior (P. Q. Zhou, 2009). Greenwash initially refers to companies disclose good environmental actions while conceal bad ones, thereby giving a misleading good impression of comprehensive environmental performance (Lyon & Maxwell, 2011; Marquis et al., 2015). Beers and Catherine (1991) pointed out that greenwash is a behavior that companies do not conduct green activities but obtains a responsible image through false publicity. Lyon and Kim (2007) believed that greenwash means that companies have stated their environment friendly proposition, but their actual actions are contrary to the proposition. Laufer (2003) argued that corporate behaviors within the scope of confusion, fronting and posturing are all greenwash. Bowen and Aragon-Correra (2014) pointed out that greenwash is a selective information disclosure behavior deliberately initiated by companies. At present, the definitions of greenwash are not unified.

In recent years, besides the environmental field, scholars have gradually noticed greenwash in the field of charitable donation and employee benefit. Exaggerating good deeds and covering up crimes, greenwash in CSR has received great attention. *Southern Weekend* magazine published the *China Greenwash List* for 9 consecutive years, which also arouse the attention from the public. Before exposure, greenwash is a pseudo CSR, that is, a false or disguised social responsibility behavior, and consumers will mistake greenwash for responsibility due to their information disadvantage. While after the exposure, greenwash become CSIR because it violates the requirements of social responsibility (D. D. Ma, 2014).

(2) Manifestations

There are studies from home and abroad on the manifestations of greenwash. Scot (2010) summarized the manifestations of greenwash as “No proof”, “Hidden trade-off”, “Lessee of two evils”, “Vagueness”, “Fibbing”, “Irrelevance”, and “Self-made certificate”. The specific meanings of these seven manifestations are shown in Table 2.1.

Table 2.1 Manifestation of greenwash summarized by Scot

Manifestation	Content
No evidence	It is hard to find evidence to support claims of environmental protection in annual reports and social responsibility reports.
Hidden trade-off	Enterprises only pay attention to the publicity of product attributes while ignoring the possible problems in the process of product publicity.
Lessee of two evils	Companies use outdated environmental protection concepts or raw materials that are banned by laws and regulations as propaganda methods to mislead consumers.
Vagueness	Companies use environmental labels to mislead consumers, rather than elaborating.
Fibbing	The claims are simply false.
Irrelevance	Products meet standards in some areas and not in others.
Self-made certificate	Companies make their own environmental labels based on consumer needs.

Source: Scot (2007)

In 2010, *Southern Weekend* summarized the manifestations of the greenwash as “intentional concealment”, “blatant deception”, “empty check”, “double standards”, “policy interference”, “relaxation before tightening”, and “make a feint to the east and attack in the west”, “put the cart before the horse”, “fuzzy sight”, and “backfire”. The specific meanings of these ten manifestations are shown in Table 2.2.

Table 2.2 Manifestations of greenwash summarized in *Southern Weekend*

Manifestation	Content
Intentional concealment	The company claims to be environmentally friendly and sustainable, but deliberately conceals actions that violate this claim at the same time.
Blatant deception	Corporate behavior violates environmental friendliness and sustainable development, but deliberately present false “green” labels.
Empty check	After violating green development and sustainable practices, the company only apologizes verbally rather than take actual actions.
Double standards	The company claims to be environmentally friendly and sustainable in their own country or local area, but violates the claim in other countries and regions.
Policy interference	The company interferes with or hinders the introduction of laws and regulations on environmental protection and sustainable development relying on their industry position.
Relaxation before tightening	The company makes environmental protection and sustainable development publicity, but fails to implement them consistently, causing violations of this claim.
Make a feint to the east and attack in the west	The company emphasizes environmental protection in one aspect, but violates environmental protection and sustainable development in other aspects.
Put the cart before the horse	The company has established a good image in irrelevant or secondary products and businesses, but violates environmental protection or sustainable development commitments in the main business or products.
Fuzzy sight	The company uses unfamiliar or vague concepts to mislead consumers into believing the products or the company’s practices are environmental.
Backfire	The company’s practice aims at protecting the environment or sustainable development but leads to the opposite negative impact.

Source: *Southern Weekend* (2010)

(3) Outcomes

Outcomes of greenwash are studied around corporate reputation, financial performance and capital market.

Regarding the corporate reputation, Leonidou et al. (2013) argue that consumers have a feeling of distrust towards the brand, which will reduce their satisfaction with the corporate brand. Akturan (2018) found that greenwash exposure will damage and impair brand reputation and lessen consumers' willingness to buy.

Regarding the financial performance, Kent and Fang (2012) investigated companies with serious pollution in Canada and found that greenwash and symbolic environmental activities wear down corporate financial performance. Studying 162 banks across 22 countries, M. W. Wu and Shen (2013) found CSR positively affect financial performance, while for banks whose social responsibility were turned out to be greenwash, this positive impact does not exist. J. Q. Sun and Wu (2019) found via case study that CSR greenwashing before exposure would increase corporate financial performance, and CSR greenwashing after exposure would lower down corporate financial performance. Meanwhile, CSR greenwashing after exposure may bring heavier punishment.

Regarding the capital market, H. Liu (2019) took the greenwash companies exposed by the media from 2014 to 2016 as a research sample. Through empirical research, he found that the greenwash exposed by the media caused the stock price of listed companies to fall, thereby forming a market punishment. However, the nature of state-owned enterprises will weaken the punishment brought about by greenwash. Using the event analysis method, D. D. Ma (2014) studied the impact on companies after the 2011-2013 "China Greenwash List" was released. The study found the capital market negatively react to the exposure of corporate greenwash. X. Q. Du (2015) found that greenwash is significantly negatively correlated with cumulative abnormal return (CAR).

2.3 Corporate rule-breaking behavior

Corporate rule-breaking behavior is a type of corporate irresponsible behavior. The following part will give a detailed explanation of the definition, measurement and research on the impact of corporate rule-breaking behavior.

2.3.1 Definition

Corporate rule-breaking is defined as the law or regulation violation behavior by company or company's senior manager. Among the listed companies in China, the organizations that issue non-compliance announcements include institutions such as China Securities Regulatory Commission. Meanwhile, the institutions that punish rule-breaking behaviors also include institutions such as China Securities Regulatory Commission.

The rule-breaking behaviors of China's listed companies can be categorized into: false profit, false asset, deceptive record (ambiguous statement), delayed disclosure, major carelessness, false disclosure (others), counterfeit listing, violation of funding, illegal changes in the fund use, company asset occupation, insider trading, illegal stock trading, stock price manipulation, illegal guarantee, improper general accounting treatment. For listed companies that have committed rule-breaking, the penalty institution such as China Securities Regulatory Commission will carry out punishment methods such as criticism, warning, condemnation, fines, confiscation of illegal income, cancellation of business licenses (order to close), market bans.

2.3.2 Measurement

For the data source of corporate rule-breaking behavior, scholars often use the violation processing database in Guotaian CSMAR (Che & Su, 2018; X. L. Li et al., 2017). The existing research on the measurement of corporate rule-breaking behavior is elaborated below.

For the measurement of corporate rule-breaking behavior, dummy variables are used to measure whether the company has rule-breaking behavior (J. Lu, 2015; Y. Lu & Li, 2016). Specifically, referring to the date of the punishment documents issued by the regulatory agency to rule-breaking companies, the listed company that has committed violations in the current year is assigned as 1, otherwise it is 0. Moreover, based on the year of actual rule-breaking disclosed in the CSMAR violation processing database, F. Wei and Geng (2018) used the number of violations to measure the degree of corporate rule-breaking behavior during the research. During the robustness test, whether the listed companies have broken the rule was used to measure corporate rule-breaking behaviors.

2.3.3 Relevant research

Up to now, many scholars have conducted relevant research on corporate rule-breaking behaviors using Chinese listed companies as the research object. For example, X. L. Li et al.

(2017) used China's A-share listed companies from 2003 to 2015 as a sample to conduct an empirical analysis on the relation between corporate rule-breaking behavior and charitable donation. Their research found that corporate rule-breaking behavior was positively related to corporate charitable donation. When rule-breaking behaviors occur in areas with better institutional environments or in listed non-state-owned enterprises, corporate rule-breaking behavior is more constructive to charitable donation. Che and Su (2018) conducted an empirical study using data from China's A-share listed companies from 2010 to 2015, and the results show that listed companies that have rule-breaking behaviors are more inclined to release CSR reports voluntarily to restore the legitimacy of the organization. Furthermore, listed companies that have committed rule-breaking behaviors cannot increase their corporate value by issuing high-quality CSR reports.

It is worth noting that corporate rule-breaking behaviors will face reputation penalties, causing the companies that violated the rules to suffer huge corporate reputation losses (J. M. Karpoff et al., 1993). Therefore, when the corporate rule-breaking behaviors are disclosed by the public, their corporate reputation and performance will suffer from adverse effect (Jonathan et al., 2008).

In addition, using the experimental research method, T. J. Wei (2014) found that corporate environmental rule-breaking behaviors have a negative impact on corporate reputation. Niu (2017) used listed companies that were disclosed by regulatory agencies on the Shenzhen Stock Exchange during 2009-2014 due to rule-breaking behaviors as the research objects, and found that the corporate performance of listed companies that have rule-breaking behaviors worsen after being disclosed by regulatory agencies.

2.4 Corporate reputation

2.4.1 Definition

Reputation is regarded as an intangible asset widely recognized by the public, which can bring sustainable competitive advantage to enterprises based on high-quality capabilities and output (Barney, 1991; Pfarrer et al., 2010). For instance, past high-quality products can generate high reputation for a firm, therefore, a firm should invest in product quality to earn itself reputation (Allen, 1984; Rob & Fishman, 2005; Simon & Moritz, 2013). The beginning of research on corporate reputation can be traced back to the late 1950s. Martineau (1958) is among the first group of scholars to discuss corporate reputation by distinguishing functional and emotional attributes of reputation. Fombrun (1996) held that corporate reputation is a comprehensive manifestation of stakeholders' views on the past behavior of the company and the company's ability to provide valuable products or services. R. Hall (1992) argued that corporate reputation included the rational cognition and emotion that stakeholders hold about the company. After that, corporate reputation has been getting more and more attention of scholars over time.

Corporate reputation is analyzed with the support of three main theories. First, based on resource-based view, corporate reputation could be regarded as an impalpable resource that is invaluable, scarce and inimitable and cause competitive advantage and performance superiority (Boyd et al., 2010; V. P. Rindova et al., 2010). Second, the theory of transaction cost economics can be used to explain the important role of corporate reputation in a firm's businesses. For a given transaction, corporate reputation can reduce the costs associated with searching and selecting transaction partners, and reduce the costs of negotiation, drafting and enforcing contracts among partners (Bergh et al., 2010). Third, the theory of social status can provide a richer understanding for corporate reputation because status reflects the ranking of different organizations in the minds of stakeholders (Washington & Zajac, 2005).

From theoretical perspectives e.g. economic, institutional, sociological and marketing, corporate reputation can be defined in different ways. For example, from the management economics and game-theory perspectives, corporate reputation is referred to a particular attribute of a firm, such as providing customers with quality products (Fischer & Reuber, 2007). From the perspective of knowledge economy, Scott and Walsham (2005) view reputation as a strategic boundary object to integrate important qualities that exist at multiple levels of the organization. From the sociological perspective, corporate reputation is referred to the general public knowledge and recognition about the organization's attributes or achievement (V. P. Rindova et al., 2005). Using data from an experiment in which the 170 US student subjects act as a firm's CEO to decide whether they engage in a strategic alliance, Dollinger et al. (1997) demonstrate firm's reputation positively connected with the possibility of being a joint venture target. More importantly, Dollinger et al. (1997) also argue that corporate reputation consists of multi-dimensions, such as product quality and innovation, and these dimensions can be separated by stakeholders. Deephouse (2000) defines media reputation as the comprehensive assessment of a company in the media. He uses the data from commercial banks in a metropolitan area in the US from 1988-1992 to examine the influence of media reputation on a company's financial performance. He shows corporate media reputation is an invaluable, scarce, non-substitutable and imperfectly imitable resource and positively associated with its return on assets.

Castro et al. (2006) survey 34 CEOs of Spanish biotechnology firms in 2003 to explore the elements of corporate reputation and hold that it consists of two key components: (1) business reputation that is related to stakeholders, these stakeholders are closely tied to a firm's business process, for instance, its customers, suppliers or employees; (2) social reputation that is related to the stakeholders that are not so close to its daily operations, for instance, its investors and the communities in a broader sense. Using the reputation data from 107 U.S. business schools in 2000, V. P. Rindova et al. (2005) examine the relation between organizational reputation and stakeholders' perceptions. They argue that organizational reputation contains two aspects: (1) perceived quality dimension, which reflects the positive evaluation stakeholders on a specific attribute of the organization; (2) The well-known dimension, which reflects the large-scale collective recognition an organization has achieved in its field. They also demonstrate that a favorable reputation for a business school leads to the price premium (V. P. Rindova et al., 2005).

Some researchers review the definitions of corporate reputation. Berens and Riel (2004) review the studies on corporate reputation published from 1958 to 2004 and argue that there are overall three streams of definition about corporate reputation. The first stream is related to the extent to which a firm can meet social expectations. It is measured by media like Fortune's annual Most Admired Companies survey (Fryxell & Jia, 1994). The second stream focuses on conception of corporate personality which lives in research on human and brand personality (Davies et al., 2001; Spector, 1961). The third stream is related to the concept of trust, the subjective probability that one party attaches to the charity of another's agents (Newell & Goldsmith, 2001). Lange et al. (2011) review the definitions of corporate reputation in the articles published from 1999-2009 and divide these definitions into two varieties: being known, being known and favored. Mishina et al. (2012) believe that there are two types of organizational reputations: the first is what the organization can do, which is related to its abilities and resources, the second is what the organization would like to do, which is related to its objectives and behavioral willingness. Barnett et al. (2006) review the studies on corporate reputation from 1980-2003 and argue that there is no single definition of reputation. They identify three different meaning of reputation: awareness, assessment and asset. For awareness, reputation can be defined as a set of perceptions, such as latent perception, network perception and global perception. For assessment, reputation can be defined as a term or language used to indicate that stakeholders are involved in the assessment of the company's position. For asset, reputation can be defined as valuable and significant things to the company.

Due to intangible feature of corporate reputation, some organizations try to quantify the value of it and rank firms by boiling down all evaluative criteria to a single number. For example, in the US, many empirical studies related to corporate reputation use Fortune's survey of America's Most Admired Corporations published every year since 1982 to gauge reputation (Fryxell & Jia, 1994; Joshi, 1997). This survey collects reputation data from top managers and analysts through an eight-attribute scale from 0-10 and provides a rank list of firms according to their corporate reputation score (Fryxell & Jia, 1994).

Several concepts, such as corporate image, legitimacy and status, are similar to corporate reputation and scholars have tried to explore the differences between them (Mahon, 2002; Whetten & Mackey, 2002). Dolphin (2004) holds that corporate image change over time and a firm's image may vary among stakeholders due to different perceptions, while corporate reputation is based on more endurable general estimates established over time. Using the data from the population of commercial banks in a metropolitan area in USA from 1985-1992, Deephouse and Carter (2005) differentiate organizational legitimacy and organizational reputation. They hold isomorphism having a positive impact on legitimacy, however, its impacts on reputation depend on banks' reputation. The financial performance is positively associated with reputation and is unrelated to legitimacy of banks. Pfarrer et al. (2010) distinguish corporate reputation from corporate celebrity. They argue that celebrity derives from emotional resonance - the excitement and investment a company generate. However, corporate reputation mainly results from a company's demonstrated ability to create value. Based on the reputation data from 291 U.S. firms from 1991 to 2005, they find the relation between a company's reputation and its announcements of positive earnings surprise negative, while a company's celebrity positively related to its announcements of positive earnings surprise. For companies high in reputation and celebrity, unexpected profit increase bring more market rewards, while unexpected profit decrease bring less market punishment. When discusses the differences among corporate reputation, legitimacy and status, Bitektine (2011) argue that corporate reputation is significantly influenced by its past history which stakeholders use to generate reputation judgment. He also proposes that unknown companies will be classified as reputation-neutral and will be preferred as trading partners to those with negative reputations.

Generally speaking, although corporate reputation has different definitions and consists of multi-dimensions, it can be seen as a single construct and be stably measured as a global conception by appropriate methods, such as a small number of items and experts, rankings in media (Highhouse et al., 2009).

2.4.2 Measurement

After systematically combing the existing research, most of the measurement of corporate reputation is to use third-party evaluation agencies to rank corporate reputation.

Specifically, Williams and Barrett (2000) refer to the scores of the reputation survey in the 1995 Fortune magazine to measure corporate reputation, and this survey provided corporate reputation scores from 1991 to the end of 1994. The overall reputation score of each company was compared with the major competitors in the same industry. The company's reputation in eight categories is scored on an 11-point scale (0=poor, 10=excellent). The eight categories are: management quality, product or service quality, long-time investment value, innovation, financial soundness, ability to attract and retain talents, community and environmental responsibility, and the usage of corporate asset (Williams & Barrett, 2000).

Brammer and Millington (2005) use the corporate reputation score obtained from the survey of the most respected British companies in 2002 "Management Today" to measure corporate reputation. The corporate reputation score is similar to the score of "Fortune". The reputation of companies in 9 categories is scored on an 11-point scale (0=poor, 10=excellent). The 9 categories are: management quality, financial soundness, the ability to attract, develop and retain outstanding talents, product quality/service, value as a long-term investment, innovation capacity, quality of marketing, community and environmental responsibility, and the usage of corporate assets (Brammer & Millington, 2005).

Hanh and Hien (2020) carry out an empirical study and find that the CSR disclosure had impact on corporate performance through corporate reputation. Taking the companies in "Fortune" from 2005 to 2011 as the research samples, the company's reputation was measured using the overall reputation ranking of each company within a year from "Fortune". The scores were back-calculated into the best reputation ranking of 17, and the worst reputation ranking of 1.

Rehman et al. (2020) study the impact of CSR on corporate performance and corporate risk through corporate reputation. Taking European and Asian companies on the list of the most admired countries from 2014 to 2018 in "Fortune" as the research samples, the ranking of the most admired companies in "Fortune" was used to measure corporate reputation. The reputation score is a comprehensive score based on the companies' reputation in 9 categories on an 11-point scale (0=poor, 10=excellent). The nine categories are: personnel management, product or service quality, innovation, management quality, the usage of corporate assets, long-term investment, social responsibility, global competitiveness and financial soundness. On the other hand, the ranking of the most admired companies is a most comprehensive indicator to measure a company's reputation. However, this ranking only covers a limited number of international companies every year. Therefore, a reputation dummy variable is created. If a company is currently ranked in the most admired companies of "Fortune", then the value of this dummy variable is 1, otherwise it is 0.

In addition, Deephouse (2000) believe that reputation was a strategic resource that brought corporate competitive advantages from the resource-based view. However, past research usually adopted the rating and ranking from "Fortune" to measure corporate reputation, and this method of corporate reputation measurement was theoretically weak. Therefore, combining the mass communication theory with previous research, media reputation is conceptualized as the comprehensive assessment of the media and the company. For the measurement of media reputation, it is proposed to calculate media reputation by media praise coefficient.

$$\textbf{Media praise coefficient}= \begin{cases} \dfrac{f^2 - fu}{total^2} & \text{, when } f>u; \\ 0 & \text{, when } f=u; \\ \dfrac{fu - u^2}{total^2} & \text{, when } f<u. \end{cases} \tag{2.1}$$

In this formula, f is the number of positive evaluation records of the company in a certain year; u is the number of negative evaluation records of the company in a certain year; total is the total number of evaluation records in a certain year. The media reputation coefficient is a continuous variable within [-1,1]. Besides, Hogarth et al. (2016) also use the media praise coefficient to measure corporate reputation, which is summarized in Annex Table 3.

2.4.3 Corporate reputation antecedents

2.4.3.1 Corporate charitable donation

Based on the above systematic explanation of the domestic and foreign literature on the influence of corporate philanthropy on corporate reputation, it is concluded that corporate philanthropy can be conducive in improving corporate reputation. In addition, corporate philanthropy is a significant channel for companies to fulfill social responsibilities. Many studies have focused on the mediation of corporate reputation between CSR and corporate outcome variables (such as, corporate performance). Based on this, the thesis believes that corporate philanthropy is an important factor affecting corporate reputation.

2.4.3.2 CSIR

Based on the above systematic exposition of literature on the impact of CSIR on corporate reputation, it is found that there are relatively few research results on CSIR and corporate reputation. At present, the existing research mainly comes from abroad and there are few domestic research results. Through a systematic review of the existing literature, it's visible that the company's irresponsible behavior has a negative influence on company's reputation. Based on this, this study believes that corporate irresponsible behavior is one of the vital factors affecting corporate reputation.

2.4.3.3 Other factors

In addition to corporate philanthropy and corporate irresponsible behavior, other factors affecting corporate reputation include social responsibility, financial performance, products, and services (L. Liu, 2005).

For example, regarding the influence of CSR on corporate reputation, Benitez et al. (2020) hold CSR enabled companies to build a stronger employer reputation, while social media could magnify the influence of CSR on employer reputation. Tahir et al. (2021) explore the internal influence mechanism between CSR and customer loyalty based on the resource-based view and stakeholder theory. Their research results show that CSR is significantly in positive correlation to corporate reputation, and corporate reputation mediates CSR and customer loyalty.

Regarding the impact of financial performance on corporate reputation, Vergin and Qoronfleh (1998) propose that financial performance is an important factor affecting corporate reputation, that is, compared with companies with lower financial performance, when the company's earnings and stock prices are higher than other companies in the industry, the company is more possibly to have a good reputation in the mind of businessmen and consumers (Vergin & Qoronfleh, 1998). In terms of the impact of products and services on the company's reputation, Brammer and Millington (2005) find that current financial performance can advance and level up the corporate reputation.

Based on the perspective of sustainable development, Pritchard and Wilson (2018) believe that adding green new products to the portfolio of service companies can improve consumers' perception of corporate reputation.

2.4.4 Corporate reputation and performance

Scholars have discussed the impact of corporate reputation on firm return since 1980s. With economic models, Shapiro (1983) demonstrates that corporate reputation can generate premiums for high quality products if customers cannot observe product quality before they buy these products. Goldberg and Hartwick (1990) conduct a factorial experiment to show that the more positive a firm's reputation is, the easier its advertising claims are to be received by potential customers. Based on the data from the U.S. automobile industry from 1895-1912, Rao (1994) show that corporate reputation can improve the survival chance of a firm. Corporate reputation can also protect firms against markets entrants (Milgrom & Roberts, 1982). Using the data of 10,000 affiliation decision from 595 California Wineries from 1980-1991, Benjamin and Podolny (1999) show that an organization's high reputation can benefit its affiliations. Drawing data from the market leaders of 48 U.S. consumer goods industries between 1982-1994, Shamsie (2003) finds out that the leaders of industries in which consumers frequently purchase the products with lower price are more likely to use reputation to establish market dominance.

Empirical studies show that corporate reputation can have enhancing effect on stock market and financial performance (Vergin & Qoronfleh, 1998). For example, using the Fortune's survey data from 1983-1985, Mcguire et al. (1988) examine the relation between corporate reputation and financial performance. They argue that return on assets is positively and corporate risk is negatively associated with corporate reputation. Based on the data from the U.S. stock market crashes and Fortune's annual survey in 1987 and 1989, Jones et al. (2000) demonstrate that the market values reduction is not relevant to a firm's reputation in a sudden market crash in 1987, however, the relation between a firm's reputation and its stock price drop is significantly negative during a less severe sudden downturn in 1989. Using the Fortune's survey data between 1984 and 1998, Roberts and Dowling (2002) find that the better a firm's reputation is, the more likely the firm sustains superior financial performance over time. Drawing data from firms listed in a U.S. magazine as best employers from 1986-1991, Chauvin and Guthrie (1994) demonstrate that good labor market reputation can increase and enhance a firm's stock return despite the return is not large. Drawing data from 416 Fortune 500 firms in 1999, Schnietz and Epstein (2005) study the influence of corporate reputation on shareholder wealth through the event of 1999 Seattle World Trade Organization (WTO) failure due to differences between member states over labor and environmental standards. They show that good reputation can protect firms from stock declines relate to this WTO failure. Using the product recall data in U.S. automobile industry from 1975-1999, Rhee and Haunschild (2003) investigate the influence of corporate reputation on market reaction to product recalls. They demonstrate that, due to product recalls, the relation between corporate reputation and market penalties is positive and is moderated by the company's substitutability and specialism. Based on a survey data of 100 most reputable firms in Spain in 2004, Sánchez and Sotorrío (2007) show that the relation between a company's reputation and financial performance is nonlinear but positive and moderated by some factors, such as corporate strategy, competitive intensity and power of stakeholders.

Reputation could appear as a safeguard system to lower perceived risk of online trade if two parties in the trade are not familiar with each other. Based on the data of 17,544 auctions that took place on eBay in 2003, MacInnes et al. (2005) investigate the role of reputation plays in e-commerce and find that the relationship between reputation of seller and buyer and the likelihood of disputes is negative. Based on the auction data of a palm pilot on eBay during a two-week period in 2000, Standifird (2001) demonstrates that a seller's reputation is positively associated with its selling price and the sellers with negative reputations are more difficult to sell their products at a higher price than those with positive reputations. G. Z. Jin and Kato (2006) conduct an experiment by purchasing actual baseball cards on eBay and professionally grading them from 2001-2002 to examine the relationship between reputation and Internet auctions. They find that reputation play an important role in identifying good-faith sellers, however, sellers with good reputation don not tend to provide better quality.

Corporate reputation plays a key role for a firm in determining contractual outcomes. Banerjee and Duflo (2000) report that, although India has cost advantage of labor force and soft industry is labor-intensive, its software industry is not much larger. Drawing the data of 230 projects by 125 Indian software companies from 1997-1998, they argue that the disadvantage of corporate reputation prevents Indian firms from winning contracts from customers. Drawing data from the 303 contracts between an IT firm and its customers in the US from 1986-1998, Mayer (2006) finds that a supplier is less likely to subcontract a project when the project has greater potential to influence its reputation.

A firm's performance may be influenced by the reputations of stakeholders. For example, drawing data from 284 Arthur Andersen clients publicly traded in the US, Chaney and Philipich (2002) examine the influence of the Enron audit failure on auditor reputation. They find that the market values of Andersen's other clients significantly decline due to this scandal, suggesting that audit quality performed by Andersen is seriously questioned by investors and hurt their reputations. Using a sample of about 900 U.S. publicly traded firms which had used Arthur Andersen as their auditor at least one year before Arthur Anderson collapsed in 2002, Jensen and Roy (2008) show that auditors' reputations in industry experience and business integrity play crucial roles in the process of being selected as a particular auditor.

Reputation can also influence a firm's attraction to job seekers. Based on applicants data from two U.S. universities from 1998-2001, Turban and Cable (2003) investigate how a company's reputation influences the number and quality of its applicants. They find both the number and quality of a company's applicant are beneficial to improve its reputation level.

The reputation in a special industry may influence the key decisions of a firm. For instance, using a sample of 108 U.S. venture capital (VC) companies from 1997-2002, Dimov et al. (2007) show that the finance expertise of a VC firm's management team is negatively associated with its judgement to invest in early-stage ventures and this relationship is stronger for higher reputation firms.

Finally, organization change may be also influenced by a firm's reputation. Using survey data and the media reputation ranking data of 98 US business schools, Martins (2005) examine how organization reputation influence the organizational change. He argues that if top managers of a business school believe that the media rankings are not consistent with their own perceptions of their school's position in the industry, the school is more likely to undertake organizational change.

2.5 CEO reputation

2.5.1 Definition

A Chief Executive Officer (CEO), is the senior manager pledged over operation and management and the superior leader of the company's management. Reputation is the general public evaluation towards certain people or things. According to Webster's "New Twentieth Century Dictionary", reputation refers to others' evaluation of a person, an event, or a behavior. Park and Berger (2004) point out that CEOs with a high reputation are considered capable, reliable, respectable, and charismatic. Based on this, the thesis defines CEO reputation as the overall evaluation of the CEO's comprehensive qualities such as the ability, quality, and credit of the CEO in the management of the company (Zeng, 2017).

2.5.2 CEO reputation and corporate reputation

Concerning CEO reputation and corporate reputation, Weng and Chen (2016) use the data of 150 listed companies in Taiwan from 2003 to 2014 as the basis to explore the influence of CEO reputation and corporate reputation on corporate financial performance. The study proves that corporate reputation and CEO reputation will affect corporate financial performance, but the impact of CEO reputation was longer lasting and had a more comprehensive impact in different industries. In addition, it was also found that when the corporate reputation was poor, the CEO reputation still had a positive impact on corporate performance, which showed that CEO reputation was more important for corporate performance (Weng & Chen, 2016).

Besides, a survey conducted by the German Business Week finds that 64% of company executives believe that corporate reputation mainly comes from CEO reputation. A similar survey in the UK also believes that 49% of opinion leaders assume that CEO reputation determines the corporate reputation (Y. Kang & Huang, 2006). It is generally believed that the contribution of CEO reputation to corporate reputation is as high as about 50%. It can be concluded that CEO reputation is a crucial part of corporate reputation, and CEO reputation and corporate reputation complement each other and act together for the long-term development of the company.

2.5.3 Measurement

Since CEO reputation is a constituent part of corporate reputation, the measurement of CEO reputation in this thesis refers to the measurement method of corporate reputation, which will not be elaborated here.

2.5.4 Outcomes

Few scholars have conducted research on the impact of CEO reputation. Weng and Chen (2016) find that CEO reputation can have a promotive effect on corporate financial performance. Yu and Chen (2014) carry out a research based on the financial data of 167 listed companies in China's A-share mergers and acquisitions from 2007 to 2010. The results show that compared with state-owned enterprises, private enterprises with higher CEO reputation can bring better corporate M & A performance, which shows that it is very important to improve corporate reputation. Francis et al. (2008) find that the better the CEO's reputation, the better the company's earnings. Through theoretical review and empirical research, Yang and Cao (2016) both confirm the positive relation between CEO reputation and earnings management, that is, the higher the CEO's reputation, the higher the company's earnings. Marin and Soler (2014) aim to clarify the relationship between CEO reputation and executive compensation, and their empirical research confirm that CEO reputation has a direct and promotive impact on the compensation of executive team.

Regarding the results of CEO reputation, through reviewing the existing literature, it can be concluded that CEO reputation has an impact on corporate performance, earnings quality, earnings management, and executive compensation.

2.6 Financial performance

Financial performance is the financial manifestations of all business activity results of an enterprise. It can fully express the effectiveness of the enterprise in cost control, including the effectiveness of asset management, the effectiveness of capital allocation, and the return rate on shareholder equity. Specifically, financial performance refers to the economic benefits obtained by an enterprise during an accounting period. The financial performance of an enterprise is usually measured by accounting indicators and market indicators.

Accounting indicators are based on the company's financial report, which is used to reflect the company's asset scale, operating status, and profit. Financial performance is usually reflected by the following capabilities: (1) Profitability. Profitability refers to the company's capability of increasing the value. It is usually measured by net sales interest rate, return on net assets and net interest rate of total assets. Net sales margin refers to the ratio of net profit obtained by the company to the sales revenue, which is used to measure the net profit of the company's sales revenue over time. The return on net assets is the percentage rate of the company's after-tax profit divided by the net assets, which measures the efficiency of the company's use of its own capital (Platonova et al., 2016). The net profit margin of total assets refers to the relationship between the net profit obtained by the company and the total assets, which is used to measure the net profit obtained by the company through the use of assets. (2) Debt-paying capability. Debt-paying capability refers to the ability of an enterprise to repay short-term and long-term debts. It is a crutial indicator of the financial status of the enterprise and the key to the healthy survival and development of the enterprise (L. H. Qian et al., 2015). Companies mainly use current ratio, quick ratio and asset-liability ratio to measure the debt-paying capability. (3) Operational capability. Operational capability refers to the efficiency of a company's operating assets. Companies usually use accounts receivable turnover rate, inventory turnover rate and fixed asset turnover rate to analyze the company's operating capabilities (X. J. Chen, 2014). (4) Development capability. Development capability is a potential development evaluation index for business development, expansion, and maximization of shareholder benefits. The good operation of a business requires not only an external business environment but also various resource conditions. The growth rate of assets, sales growth, and profit growth are usually used to evaluate the development capability of an enterprise. Development capability enables the companies to have long-term vision and focus on the company's future development instead of short-term benefits.

Tobin's Q value indicator, which is commonly used in the market, conducts a specific analysis of market value. Tobin's Q value calculation formula is the ratio of the company's market value to the replacement cost. Tobin's Q value reflects the information of the company in the past, and can also predict the future development of the company, reflecting more comprehensive information. The calculation of Tobin's Q value is mainly to allow the senior management of the enterprise to take effective measures to rectify the enterprise and improve the efficiency of the enterprise even if the problems existing in the enterprise are found.

2.7 Chapter summary

This chapter is a literature review, mainly to systematically introduce corporate philanthropy, corporate irresponsible behavior, corporate reputation, and CEO reputation. To be more specific, the definitions of the variables are explained, the measurement of the variables are sorted out, and the relevant research on the variables are reviewed. By reviewing the literature, we could grasp the existing research progress, clarify the research gap, and know about where our research focus should be.

In this chapter, we have reviewed the following contents. For corporate charitable donation, the literature review is conducted from the definition of corporate charitable donation, strategic philanthropy, and the results of corporate charitable donation. For corporate social irresponsible behavior, a comprehensive review is conducted from the definition and results of CSIR. Among which, rule-breaking behavior, one manifestation of corporate social irresponsible behavior, is also expounded. For corporate reputation, the definition and influencing factors of corporate reputation are systematically explained. For CEO reputation, the definition of CEO reputation, the relation between CEO reputation and corporate reputation, and the results of CEO reputation are expounded. For financial performance, the commonly used indicators are reviewed. Moreover, this chapter also reviewed and analyzed the measurement of the above variables.

Based on the above comprehensive literature review, we observe that the existing research on corporate charitable donation and rule-breaking behavior, which are respectively the sub-branches of corporate philanthropy and CSIR, are independent of each other, and no research on the influence of corporate philanthropy and corporate irresponsibility on corporate financial performance has been found, never to mention the impact of corporate charitable donation and rule-breaking on the financial performance. Therefore, studying the influence of corporate philanthropy and corporate irresponsibility on corporate financial performance has certain research significance and can provide reference to the companies and management team. Among the research variables, the thesis considers corporate reputation to be a mediator of corporate charitable donation, corporate rule-breaking behavior and financial performance, and CEO reputation to be a moderator of corporate charitable donation, corporate rule-breaking behavior and financial performance. By constructing a mediated moderation model incorporating the above-mentioned variables, the thesis could fulfill the research gap.

[This page is deliberately left blank.]

Chapter 3: Theoretical Model and Research Hypotheses

3.1 Theoretical model

3.1.1 Relevant theories

After reviewing the literature and summarizing the existing research, the thesis selects two independent variables: corporate charitable donation and corporate rule-breaking behavior. Corporate charitable donation is a vital constituent part of CSR, while corporate rule-breaking behavior is a type of CSIR. This research is grounded on signaling theory and stakeholder theory. Meanwhile, this thesis also concentrates on how corporate "doing good" and "doing bad" influence corporate media reputation and financial performance, which can make up for the gap of the existing research which is generally focused on "doing good" or "doing bad".

3.1.1.1 Signaling theory

Signaling theory refers that: among the two parties in the transaction, the party with relative information advantage can influence the judgment of the relatively weak party by releasing relevant signals. The signaling theory was put forward in the context of asymmetric information. Information asymmetry refers to the fact that two or more parties have different amount of information in market economic activities, resulting in information asymmetry. People or organizations with more information are often in an advantageous position in the communication process (Fan & Wu, 2016).

In 1973, based on information asymmetry, Spence first pointed out in that due to information asymmetry during recruitment, recruiters could not effectively assess the actual capability and qualification of job applicants, leading to unreasonable and unjust remuneration after recruitment. However, job applicants can present information such as education background as a signal to the recruiters, reducing the asymmetry of information between the two parties, and thus obtain a fairer treatment.

Since signaling theory was proposed, it has developed rapidly and been widely used in the fields of finance, management, and social systems. In the field of finance, Bhattachrya (1979) based on the signaling theory and proposed dividend signaling model, which pointed out the information of cash dividends can be used as a indicator for expected future earnings. Reuer and Ragozzino (2012) pointed out that the IPO information of newly listed companies, e.g., the investor information, could serve as a signal of newly listed companies to help acquirers make better choices. Signaling theory has also been widely implemented to management. S. H. Li et al. (2015) brought up that due to the information asymmetry between investors and investees, investors are at an information disadvantage when making investments. Therefore, companies hope to send a good signal by presenting their own advantages. Suazo et al. (2009) examined the impact of human resource practice as a signal on employees' psychological contract from the perspective of signaling theory.

3.1.1.2 Stakeholder theory

Stakeholder theory, a theory proposed in 1960s, was born under the externally controlled corporate governance model in UK and USA. Stakeholder theory suggests the goal of an enterprise should not be restricted to profit maximization and the interests of shareholders, but also aim at meeting the requirements of other stakeholders, that is, the business managers must comprehensively balance the interests and requirements of various stakeholders in business management. Freeman (2009) defined stakeholders as "individuals or groups that are able to determine or determined by the corporate goal realization". Shareholders, creditors, employees, suppliers, consumers, governments, social organizations and social groups, and social members are all stakeholders (X. Li, 2014).

Regarding the classification of stakeholders, scholars divide the stakeholders into different categories according to different standards. Freeman (2009) divided stakeholders from three different perspectives: ownership (such as company shareholders), economic dependence (such as suppliers, consumers, and employees), and social benefits (such as government and media). Frederick (1995) divided stakeholders into direct stakeholders and indirect stakeholders. The former includes entities that have market relations with the company, such as shareholders and suppliers, while indirect stakeholders include entities that have non-market relations with the company, such as government, media, and the public. For different companies and companies at different stages of development, the same entity may be classified into different stakeholders.

3.1.2 Theoretical model

Based on signaling theory and stakeholder theory, the thesis constructs a theoretical model as shown in Figure 3.1. This model aims to explore how corporate charitable donation and corporate rule-breaking behavior of listed companies in China affect corporate media reputation, and thus affect financial performance, as well as how CEO media reputation moderates the impact of corporate charitable donation and corporate rule-breaking behavior on corporate media reputation.

Through this empirical study, it can be known how corporate charitable donation and corporate rule-breaking behavior affect corporate financial performance, and when the two coexist, how they affect corporate financial performance, so as to provide management strategies for enterprises to better fulfill their social responsibility and avoid irresponsibility.

With five variables included in the theoretical model, the thesis aims at exploring the relationship between the variables and carrying out empirical research with second-hand data. Corporate philanthropy and CSIR are the two independent variables. Corporate media reputation is the mediator, CEO media reputation is the moderator, financial performance is the outcome.

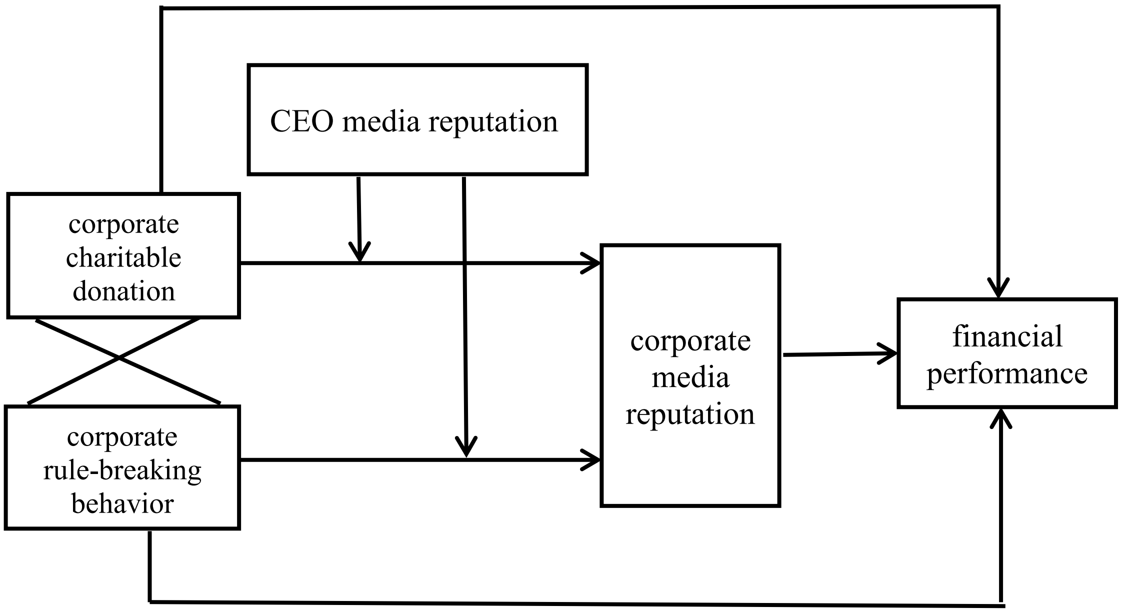

Figure 3.1 Research model

Guiding by the theoretical model, the main issues discussed in the thesis are: (1) direct effect, in which discussion is made about how corporate philanthropy and CSIR influence financial performance; (2) mediating effect, in which discussion is made on the mediating role of corporate media reputation between corporate philanthropy and financial performance, and between CSIR and financial performance; (3) moderating effect, in which discussion is made on the moderating role of CEO media reputation between corporate philanthropy and corporate media reputation, and between CSIR and corporate media reputation; (4) interaction effect, in which discussion is made about how the interaction between corporate philanthropy and CSIR affects corporate media reputation and financial performance. The theoretical model is presented in Figure 3.1.

3.2 Research hypotheses

Through the systematic review of previous research and theories, the thesis will expound the research hypotheses on the basis of the theoretical model proposed. Specifically, the research hypotheses include the hypothesis of the relations between corporate charitable donation and financial performance, the hypothesis of the relation between corporate rule-breaking behavior and financial performance, the hypothesis of the mediating role of corporate media reputation between corporate charitable donation and financial performance, the hypothesis of the mediating role of corporate media reputation between corporate rule-breaking behavior and financial performance, the hypothesis of the moderating role of CEO media reputation between corporate charitable donation and corporate media reputation, the hypothesis of the moderating role of CEO media reputation between corporate rule-breaking behavior and corporate media reputation, and the hypothesis of the impact of the interaction of corporate charitable donation and corporate rule-breaking behavior on corporate media reputation and financial performance .

3.2.1 Corporate charitable donation, rule-breaking and financial performance

Since the thesis contains two independent variables, the hypotheses about the two independent variables will be elaborated separately, including the hypothesis of the relation between corporate charitable donation and financial performance, and the hypothesis of the relation between rule-breaking behavior and financial performance.

3.2.1.1 Corporate charitable donation and financial performance

According to signaling theory, corporate philanthropy will signal to stakeholders that the company’s performance is good and sound, thereby influencing stakeholders’ decision-making. For consumers, corporate charitable donation will signal that companies are actively taking social responsibilities and have high business ethics, which can enhance consumers’ trust in the company and increase consumers’ willingness to buy, thereby increasing the company’s revenue. For investors, investors are in a disadvantaged position in terms of information, and corporate charitable donation will convey a signal of good corporate performance, which can reduce investors’ concerns about the uncertainty of corporate development and increase investors’ investment in the company. For corporate employees, corporate donation will convey their lofty corporate values and social responsibility, thereby increasing employee loyalty to the company, reducing the company’s management cost of employees, and improving the company’s financial performance. For the public, corporate donations will improve the image of the company, increase the public's trust in the company, which can enable the company to reduce public relations expenditures when encountering a public relations crisis, thereby improving the company's financial performance. Based on the view of strategic philanthropy, corporate charitable donation will largely increase the company's operation efficiency and competitiveness, which will then enhance the company's financial performance and achieve the coordination and unity of the company's economic and social goals (Porter & Kramer, 2002). Based on the theory of strategic philanthropy, Chase and Brokaw (2013) find that the strategic philanthropy of enterprises provides enterprises with a competitive advantage, thus boosting and upsurging the financial performance of enterprises.

Moreover, evidences from research have proved that corporate charitable donation can facilitate corporate performance (Lev et al., 2010; H. Wang & C. Qian, 2011). Brammer and Millington (2005) analyze the philanthropy of British companies and find that corporate charitable donation could yield brand effects through advertising, thereby increasing product sales and improving corporate performance. Choi and Wang (2007) propose that high-level managers who are kind and honest are more likely to care for others and society in the form of corporate charitable donation, which further helps enhance their credibility and promotes the relationship between companies and stakeholders, thus improving corporate financial performance.

In view of the above analysis, the thesis assumes that through charitable donation, companies not only enhance their corporate images and yield brand effects, but also the intangible resources they obtain are further transformed into corporate competitive advantages, which will be conducive to corporate financial performance. Therefore, this thesis hypothesizes H1.

H1: Corporate charitable donation positively affects financial performance.

3.2.1.2 CSIR and financial performance

Corporate rule-breaking behavior refer to acts that violate laws and regulations, infringed on the rights and interests of interested parties, and caused negative externalities. Corporate rule-breaking behavior is a type of corporate irresponsible behavior. According to the signaling theory, corporate rule-breaking behavior will send bad signals to stakeholders. For consumers, corporate violations will signal that the company does not comply with social rules, thereby lowering consumers' trust in the company, reducing consumers' willingness to buy, and leading to lower the company's revenue. For investors, corporate rule-breaking behavior will convey a signal of high corporate risk. If the investment may face a loss due to rule-breaking at any time, the investor's investment in the company will be reduced. For corporate employees, corporate rule-breaking behavior will send irresponsible signals, and the decline of corporate social status will lower employee loyalty to the company, leading to issues such as difficult employee management and high turnover rate, thereby increasing the company's management costs for employees and reducing the financial performance of the enterprise. For the public, corporate rule-breaking behavior will damage the corporate image, increase corporate public relations expenditures, and thereby reducing corporate financial performance.

Studies have unveiled that corporate rule-breaking behavior may hinder back corporate performance. Jayachandran et al. (2013) find that product and environmental issues have a stronger negative impact on corporate performance because negative events will catch media attention and cause public retaliation. Muller and Kräussl (2011) find that the less a company assumes social responsibility, the greater the negative impact on the company's stock returns.

Moreover, C. J. Chen et al. (2018) divides the negative impact of CSIR on corporate performance into internal punishment and external punishment. The internal punishment refers to the resistance of internal stakeholders to CSIR activities. Such resistance may lead to confusion in corporate management and high turnover, thereby weakening corporate performance (Chiu et al., 2015). External punishment is the condemnation of CSIR activities by external stakeholders, which may include fines, boycotts, and supervision (Klein et al., 2004). For example, Grimmer and Bingham (2013) find that products that are considered to be less environmentally-friendly may reduce consumers' purchase intention.

Based on the above analysis, the thesis assumes that regardless of internal punishment or external punishment, corporate rule-breaking behavior will influence corporate financial performance negatively. Therefore, this thesis proposes the following hypothesis.

H2: Corporate rule-breaking behavior negatively affects financial performance.

3.2.2 Corporate media reputation as a mediator

Since the thesis contains two independent variables, the hypotheses about the relationship between the independent variables and the mediators will be elaborated separately, including the hypothesis of the relation between corporate charitable donation and corporate rule-breaking behavior, the hypothesis of the relation between rule-breaking behavior and corporate media reputation, the hypothesis of the mediation of corporate media reputation between corporate charitable donation and financial performance, and the hypothesis of the mediation of corporate media reputation between corporate rule-breaking behavior and financial performance.

3.2.2.1 Corporate charitable donation and media reputation

According to the stakeholder theory, companies are responsible to not only shareholders, but also various stakeholders. Enterprises should not only do well in operation and management, but also be responsible for the society. Corporate reputation refers to the comprehensive evaluation of the company by customers, investors, employees and the public. R. Hall (1992) held that corporate reputation included the rational cognition and emotion that stakeholders had about the company. In the stakeholder management, corporate charitable donations can allow stakeholders to rationally recognize the responsibilities and responsibilities of the company, and then generate a positive impression and emotional evaluation of the company, thereby enhancing the corporate media reputation. Meanwhile, disseminating more and more detailed information about corporate charitable donation to the public through social media could improve the social influence and then optimize and enhance corporate reputation (Brammer & Millington, 2005).

Moreover, some studies have proved that corporate charitable donation significantly increase corporate reputation (Hutton et al., 2001; Williams & Barrett, 2000). Szócs et al. (2014) find that corporate charitable donation can improve the public's perception of corporate reputation on various dimensions. Based on the perspective of strategic interaction, W. J. Shi et al. (2009)_ENREF_219 divides CSR into seven dimensions: philanthropy, environmental protection, compliance with social norms and ethical traditions, high-quality products or services, and good treatment to employees. The research verifies a direct positive association between CSR and corporate reputation.

Grounded on the above analysis, the thesis assumes that corporate philanthropy not only establishes a good corporate image for the company, but also makes stakeholders have a positive impression on the company, which will increase and upgrade corporate media reputation. Therefore, this thesis hypothesizes H3.

H3: Corporate charitable donation positively affects corporate media reputation.

3.2.2.2 Rule-breaking and corporate media reputation

Based on the stakeholder theory, while creating profits and being responsible to shareholders, the responsibilities to the stakeholders, such as environmental protection, production safety, should also be guaranteed. Meanwhile, valuing the opinions of stakeholders is essential for building corporate reputation (H. Lin et al., 2016). For enterprises, complying with social norms and assuming CSR are important ways to affect corporate reputation (Walsh et al., 2010). The violation of social norms will cause the public to have a negative view, thereby damaging its reputation (Philippe & Durand, 2011).

Corporate media reputation is an important result of corporate rule-breaking behavior. Generally speaking, corporate rule-breaking behavior has a negative influence on corporate media reputation. Jonathan et al. (2008) use the data of American companies that have financial misrepresentations to calculate out that CSIR would lead to an average reputation loss of $2.71 once the company's market value increased by $1.

In addition, H. Lin et al. (2016) believes that corporate rule-breaking behavior related to environmental issues may damage and disrupt corporate reputation perceived by consumers. Through a comparative study, M. Sun and Huang (2020) find that when companies that received CSR rewards experienced events of corporate rule-breaking behavior, investors would impose harsher punishments on them. Research by Nardella et al. (2020) confirm that when highly responsible companies are considered "hypocritical" and the most irresponsible companies are not found guilty, such irresponsible companies would be punished by the loss of reputation.

Based on the above analysis, the thesis assumes that CSIR will lead to corresponding reputation loss, that is, corporate rule-breaking behavior has a negative influence on corporate media reputation. Therefore, the thesis proposes the following hypothesis.

H4: Corporate rule-breaking behavior negatively affects corporate media reputation.

3.2.2.4 Mediation of corporate media reputation between corporate charitable donation and financial performance

It can be concluded from the existing studies that corporate charitable donation can improve corporate reputation and corporate performance. On the one hand, faced with the competitive market, companies use CSR as a strategic tool to react to the expectations of different stakeholders (for example, employees, consumers, and the media), thereby shaping a good corporate image (Richard, 2005). It is generally believed that corporate charitable donation is one of the ways for companies to build their reputation (Lai et al., 2010; X. Luo & Bhattacharya, 2009). On the other hand, according to the stakeholder theory, participating in CSR activities can improve corporate performance (Deng et al., 2013). Compared with companies with poor social performance, companies with strong social performance are more likely to interact with stakeholders, which will transform into the competitive advantage, thereby improving corporate performance (Sayedeh et al., 2014).

According to the signaling theory, high corporate media reputation can send positive signals to consumers, investors, employees and the public, which can increase corporate revenue, obtain more investment, reduce employee management costs, lower corporate public relations costs, and thereby improving the corporate financial performance. Among the studies on corporate charitable donation and corporate performance, many scholars have confirmed the mediating role of corporate reputation. As corporate charitable donation is a crutial part of CSR, these studies have great reference significance. There are studies which prove that CSR promotes corporate performance through corporate reputation (Hanh & Hien, 2020; Sayedeh et al., 2014; Y. Zhu et al., 2014). Moreover, some scholars have confirmed that corporate reputation partly mediates CSR and corporate performance (Fourati & Dammak, 2021; Rehman et al., 2020). For instance, Rehman et al. (2020) believe that CSR is promotive and conducive to corporate reputation and corporate performance, and they also confirm that corporate reputation mediates between CSR and corporate performance. Fourati and Dammak (2021) find that CSR not only has a direct and positive impact on corporate financial performance, but also has a significant positive impact on corporate financial performance through corporate reputation.

Based on the above and previous analysis, corporate charitable donation is a significant constituent of CSR. This thesis assumes that corporate charitable donation not only directly promotes corporate financial performance, but also indirectly promotes corporate financial performance through corporate media reputation. Therefore, the thesis proposes the following hypothesis.

H5: Corporate media reputation mediates corporate charitable donation and financial performance.

3.2.2.5 Mediation of corporate media reputation between rule-breaking behavior and financial performance

It can be concluded from the previous discussion and research that corporate rule-breaking behavior can damage the corporate reputation and corporate performance. On the one hand, some scholars predict based on the stakeholder theory that companies' attempts to reduce hidden costs through irresponsible behavior may increase the company's explicit costs and lead to competitive disadvantages (Waddock & Graves, 1997). Stakeholder's negative perception of the company will also damage the corporate reputation and brand image (X. Q. Du et al., 2013; Fombrun et al., 2000). On the other hand, corporate social irresponsible will have a negative impact on the stakeholder relationship, which will adversely affect the corporate results (Price & Sun, 2017). For example, when consumers are aware of CSIR, their willingness to purchase the product or service will be reduced, and then the company's income will be reduced, either (Wagner et al., 2008). According to the signaling theory, corporate rule-breaking behavior will send bad signals to consumers, investors, employees and the public, which can cause stakeholders to have a negative impression of the company, lower the company's media reputation, and ultimately have a negative consequence on the company and reduce the financial performance of the enterprise.

Based on the above, the thesis assumes that corporate rule-breaking behavior not only directly has a negative significance on financial performance, but also indirectly affects financial performance through corporate media reputation. Therefore, the thesis proposes the following hypothesis.

H6: Corporate media reputation mediates corporate rule-breaking behavior and financial performance.

3.2.3 CEO media reputation as a moderator

Since the thesis consists of two research independent variables, the hypotheses on the moderating effect will be expounded separately, including the hypothesis of the moderating role of CEO media reputation between corporate philanthropy and corporate media reputation, and the hypothesis of the moderating role of CEO media reputation between CSIR and corporate media reputation.

3.2.3.1 Moderation of CEO media reputation between corporate charitable donation and media reputation

CEO reputation is the stakeholders' overall evaluation of the CEO's comprehensive qualities such as the ability and credibility in the process of business management. Based on the signaling theory, When the information cannot be communicated effectively and smoothly, CEO media reputation serves as a signal to deliver certain messages to stakeholders. For consumers, high CEO media reputation can promote consumers to shift their identity with the CEO to the identity of the company, thereby bringing more revenue to the company. For investors, high CEO media reputation can reduce the information asymmetry between investors and enterprises, which can reduce the cost for investors to obtain information, help enterprises to gain more trust from investors, thereby helping enterprises to obtain more investment. For employees, high CEO media reputation can increase the company's influence and social status, which can further reduce the cost of employee management. For the general public, high CEO media reputation can provide the company with advantages during the normal development of the company and ease the crush of the crisis when facing difficulties.

Scholars have proved that for companies with better scale and better performance, CEO reputation can be used as an explicit signaling to transmit positive signals to the market, thereby effectively alleviating the information asymmetry in the credit market and helping companies obtain credit loans with larger amounts and longer maturities (D. Q. Zhu & Ma, 2012). Meanwhile, some scholars believe that CEO reputation will affect stakeholders' trust in companies (A. T. Hall et al., 2004), which in turn will have an impact on the corporate reputation.

Studies have shown that CEO reputation exerts a facilitating effect on corporate financial performance (Weng & Chen, 2016). Francis et al. (2008) find that the better the CEO reputation, the higher the company's earnings quality. It is worth noting that the study of Pham and Tran (2019) suggests that CEO integrity significantly enhanced the positive impact of CSR disclosure on corporate reputation.

Moreover, from the perspective of strategic philanthropy, corporate charitable donation will establish a good corporate image, enhance corporate media reputation, and have a beneficial impact on the company. Therefore, CEO media reputation is an explicit signaling mechanism. The higher the CEO's media reputation is, the stronger the enhancement effect of corporate charitable donation on corporate media reputation. Grounded on the above and previous analysis, the thesis hypothesizes H7.

H7: CEO media reputation moderates between corporate charitable donation and corporate media reputation. When the CEO embraces a higher media reputation, the positive relationship between them will be stronger.

3.2.3.2 Moderation of CEO media reputation between rule-breaking behavior and corporate media reputation

As mentioned earlier, CEO reputation, as an explicit signaling mechanism, will degrade the information asymmetry between the company and its stakeholders, thus having a beneficial impact on the company. Some studies have proved that for companies with high cash flow and low growth opportunities, CEO reputation will weaken the negative impact of capital investment on the stock market (C. H. Jin & Lee, 2019). Moreover, it is generally believed that CSIR has an adversary influence on corporate reputation. Based on this, the thesis assumes that companies with a higher CEO reputation will alleviate the negative impact of corporate rule-breaking behavior on corporate media reputation, that is, when CEO reputation is higher, the negative impact of corporate rule-breaking behavior on corporate media reputation will be weaker.

Therefore, the thesis assumes that CEO media reputation plays a moderating role between corporate rule-breaking behavior and corporate media reputation, that is, the interaction between corporate rule-breaking behavior and CEO media reputation will have a weaker negative effect on corporate media reputation. Therefore, this thesis proposes the following hypothesis:

H8: CEO media reputation moderates between corporate rule-breaking behavior and corporate media reputation. When the CEO embraces a higher media reputation, the negative relationship between them will be weaker.

3.2.4 Interaction of corporate charitable donation and rule-breaking behavior

Since there are two independent variables in the thesis, the hypotheses of the interaction between the two independent variables are explained separately, that is, the impact of the interaction between corporate charitable donation and CSIR on corporate media reputation, and the impact of the interaction between corporate charitable donation and CSIR on financial performance. On this basis, the thesis further analyzes how the interaction between the current CSIR and the previous-term corporate charitable donation influences corporate media reputation, and the interaction between the current corporate rule-breaking behavior and the next-term corporate charitable donation on corporate media reputation; the impact of the interaction between the current corporate rule-breaking behavior and the previous-term corporate charitable donation on financial performance, and the impact of the interaction between the current corporate rule-breaking behavior and the next-term corporate charitable donation on financial performance.

3.2.4.1 Interaction between corporate charitable donation and rule-breaking behavior on corporate media reputation

Existing studies have shown that when CSR activities are highly consistent with corporate image or products, consumers will produce active and friendly responses because of the halo effect (C. H. Jin & Lee, 2019), that is, consumers will consider the products from companies that are socially responsible to be good. This spillover effect also applies to negative situations. When faced with product crisis, CSR will play as an insurance mechanism to affect consumers' evaluation of the company and reduce consumer's criticism of the companies with social responsibility (Klein & Dawar, 2004). That is to say, when a company faces a crisis situation such as a scandal, CSR can protect the company (T. Chen et al., 2018).

CSR after the crisis is actually an emotional repair method. Studies have found that social responsibility can improve the negative image of the crisis enterprise in the minds of consumers, and then repair the corporate reputation (Kehagias et al., 2009). Meanwhile, CSR before the crisis can also bring certain benefits to the crisis companies. Research shows that social responsibility behavior that companies usually do is a kind of insurance for crises, which can effectively protect brand equity after the crisis events (Jing & Zhou, 2013). Moreover, Chao et al. (2015) find that CSR can repair the reputation decline caused by corporate irresponsibility.

Corporate charitable donation is a significant constituent of CSR. The existing research has shown that when a crisis occurs, both the pre-crisis CSR and the post-crisis CSR can repair the negative impact on corporate reputation. Therefore, the thesis also focuses on the influence of the interaction between current corporate irresponsibility and the previous corporate charitable donation on corporate media reputation, and the interaction between current corporate irresponsibility and the next-term corporate charitable donation on corporate media reputation. Based on this, this thesis hypothesizes H9:

H9: The influence of rule-breaking on corporate media reputation varies because of corporate charitable donation.

3.2.4.2 Interaction between corporate charitable donation and rule-breaking behavior on financial performance

Recently, scholars have gradually discovered the greenwashing behavior of enterprises in charitable donations, which then expanded to the entire field of CSR. *Southern Weekend* announced the “China Greenwashing List” for 9 years, which also made the public begin to pay attention to greenwashing. Greenwashing initially refers to company’s disclosing positive environmental actions and concealing negative actions which cause misleading positive impressions about the overall environmental performance (Lyon & Maxwell, 2011; Marquis et al., 2011). Greenwashing is defined as corporate’s fake propaganda and whitewashing behavior in terms of environmental protection. Generally speaking, CSR greenwashing behavior refers to corporate’s behavior of covering up evil deeds and exaggerating good deeds (Sun & Wu, 2019). The corporate irresponsibility in this period and the corporate rule-breaking behavior in the next period may both be interpreted as greenwashing. Some scholars have found that the CSR greenwashing has different effects on financial performance before and after exposure. Specifically, before the exposure of CSR greenwashing, the reputation buffer mechanism brought about by cost reduction and CSR practices will have a promotive effect on financial performance, while after the exposure, the CSR greenwashing will have a negative impact on financial performance (Sun & Wu, 2019).

Moreover, many studies have confirmed the impact of CSR and corporate irresponsibility on corporate performance. M. Sun and Huang (2020) find through comparative research that in the event of corporate irresponsibility, companies that have received CSR rewards will experience severer penalties from the investors. However, the study of Walker et al. (2016) find that when CSR and corporate irresponsibility coexist, the positive impact of CSR on corporate performance dominates. Salaiz et al. (2018) argue that higher CSR is more helpful for companies to bear the negative corporate performance brought about by CSIR.

Corporate charitable donation is a significant constituent of CSR. The existing research has shown that when a company engages in irresponsible behavior, previous or after CSR practices will alleviate the negative impact on corporate performance. Therefore, the thesis studies the impact of the interaction between current corporate irresponsibility and the previous corporate charitable donation on financial performance, as well as the impact of the current corporate irresponsibility and the next-term corporate charitable donation on financial performance. Based on this, this thesis proposes H10:

H10: The influence of rule-breaking on corporate performance varies because of corporate charitable donation.

3.3 Chapter summary

This chapter establishes a theoretical model based on the literature review and combined with the related theories, and then elaborates research hypotheses based on the theoretical model. The research has proposed 10 hypotheses on the relation between corporate charitable donation and financial performance, the relation between corporate rule-breaking behavior and financial performance, the relation between corporate charitable donation and corporate media reputation, the relation between corporate rule-breaking behavior and corporate media reputation, the mediation of corporate media reputation between corporate charitable donation and financial performance, the mediation of corporate media reputation between corporate rule-breaking behavior and financial performance, the moderation of CEO media reputation between corporate charitable donation and corporate media reputation, the moderation of CEO media reputation between corporate rule-breaking behavior and corporate media reputation, the impact of the interaction of corporate charitable donation and corporate rule-breaking behavior on corporate media reputation, and the impact of the interaction of corporate charitable donation and corporate rule-breaking behavior on financial performance.

The hypotheses are summarized as follows.

1. Direct effect

H1: Corporate charitable donation positively affects financial performance.

H2: Corporate rule-breaking behavior negatively affects financial performance.

H3: Corporate charitable donation positively affects corporate media reputation.

H4: Corporate rule-breaking behavior negatively affects corporate media reputation.

2. Mediating effect

H5: Corporate media reputation mediates corporate charitable donation and financial performance.

H6: Corporate media reputation mediates between corporate rule-breaking behavior and financial performance.

3. Moderating effect

H7: CEO media reputation moderates between corporate charitable donation and corporate media reputation. When the CEO embraces a higher reputation, the positive relationship between them will be stronger.

H8: CEO media reputation moderates between corporate rule-breaking behavior and corporate media reputation. When the CEO embraces a higher reputation, the negative relationship between them will be weaker.

4. Interacting effect

H9: The influence of rule-breaking on corporate media reputation varies because of corporate charitable donation.

H10: The influence of rule-breaking on corporate performance varies because of corporate charitable donation.

Through the deduction and elaboration of the research hypotheses, the relationship between each research variable in the theoretical model can be explained.

[This page is deliberately left blank.]

Chapter 4: Research Design

4.1 Data source

The thesis selects all listed companies in Shanghai and Shenzhen Stock Exchanges from 2014 to 2019 as the research objects to verify the research hypotheses. The financial report structure of the financial industry is different from the general non-financial companies, because some indicators of the former are special, so companies in the financial industry are excluded. Besides, companies that lack relevant indicators are excluded. Then, continuous variables are subjected to winsorize up and down by 1% to exclude the influence of outliers. This study retains ST and *ST companies because they are of research value. Finally, unbalanced panel data of 5907 observations from 2377 listed companies are obtained. The data processing and statistical analysis of this study are carried out in Stata16.0 statistical analysis software.

The data of corporate charitable donation, corporate rule-breaking behavior, financial performance and control variables are from CSMAR database; the data of corporate media reputation and CEO media reputation are derived from the China Research Data Service database (CNRDS).

4.2 Variable selection and measurement

4.2.1 Corporate performance

The measurement of corporate performance mainly includes financial indicators and market indicators. Financial indicators include ROA (reset on assets) and ROE (rate of return on common stockholders' equity), and market indicators include Tobin's Q value (Najul & Santi, 2016; Pekovic & Vogt, 2020; Pham & Tran, 2019; Platonova et al., 2016). Tobin's q theory is not applicable to China's capital market considering the capital market situation. Therefore, ROA is adopted to measure corporate performance; ROE is used as a substitute indicator to measure corporate performance in stability testing.

The data of corporate performance comes from the profitability table on the CSMAR database. The profitability table includes consolidated statements and parent company statements, mainly including ROA-A, ROA- B, ROA-C, ROE-A, ROE-B, ROA-C. This chapter uses the ROA-A in the consolidated statements of listed companies in the fourth quarter to measure corporate performance (ROA) (Y. L. Huang, 2014). Meanwhile, the thesis uses ROE-A in the consolidated statement of listed companies in the fourth quarter as an alternative indicator of corporate performance.

4.2.2 Independent variables

(1) Corporate charitable donation

The measurement of corporate charitable donation has absolute and relative values. The relative value of corporate charitable donation includes two categories: one is the relative value of the same period, such as the ratio of the corporate donation amount to the total assets or the corporate size (X. Q. Du et al., 2013; Lindad & Geralde, 1994; Oh et al., 2018; M. Zhang et al., 2013). Another one is the value compared to the previous year, as calculated in formula (4.1) (Lev et al., 2010).

The absolute value refers to the absolute value of the corporate donation amount, such as the natural logarithm of corporate charitable donation (X. Q. Du, 2015; N. Ni et al., 2014; H. L. Wang & C. L. Qian, 2011). Since the relative value of corporate charitable donation can better and more roughly reflect the true situation of a company, the thesis uses the ratio of corporate charitable donation to total assets of the same period to measure corporate charitable donation.

The data of corporate donations is from the social responsibility report on the CSMAR database, while the data of total assets comes from the main financial indicator table of CSMAR database.

$$\textbf{Corporate charitable donation} = \log\left(\mathbf{GIFT}\ (t-1)/\mathbf{GIFT}\ (t-2)\right) \tag{4.1}$$

(2) Corporate rule-breaking behavior

The corporate rule-breaking behavior is measured by the fines registered on the KLD (the Kinder, Lydenberg, and Domini) social rating database. For example, R. C. Y. Fu et al. (2019) use KLD’s five dimensions of community, diversity, employee relationship, environment and product problem to build CSIR and standardize it. C. M. Wang (2020) uses the natural logarithm of the total fines from private enterprises’ consumers, environment, employees, communities and governments to measure corporate CSIR behavior. There is no consistent measurement dimension for corporate rule-breaking behavior in China. The dimensions in KLD do not match the situation in China, therefore, the thesis adopts the natural logarithm of (1 + the total amount of fines of the company) to measure corporate rule-breaking behavior.

The total amount of fines comes from the violation information table on the CSMAR database. The table includes indicators such as the total amount of fines, the amount of fines, and the types of violation. The total amount of fines refers to the sum of fines for all violations, including the fines on both individuals and institutions. The amount of fines refers to the fines on listed companies. The types of violations include actions such as fictitious profit, false asset, capital contribution violations, unauthorized changes to funds, stock price manipulation. 0 is not suitable for taking the natural logarithm, this chapter uses the natural logarithm of (1 + total amount of fines) to measure the corporate rule-breaking behavior. If the total amount of fines is missing but the fines of listed companies can be found, then the fines of listed companies will be used as the alternative. In addition, the value 0 is used to replace the missing value of the total amount of fines.

4.2.3 Corporate media reputation

Corporate media reputation is measured through dummy variables, reputation ranking, and media praise coefficients. For instance, Pfarrer et al. (2010) and Boivie et al. (2016) uses the lists from “Wall Street Journal” and “Fortune” to measure corporate reputation. If the company appears on any of the lists before the rating, then the value is 1, otherwise it is 0. Hstp and Htt (2020) uses the ranking reversal results of the global overall reputation of each company on the website of “Fortune” as the standard. From the resource-based theory, Deephouse (2000) believes that reputation is a strategic resource to bring competitive advantages. In the past studies, the rating of Fortune is usually used to measure corporate reputation, but this measurement is weak in theory. Therefore, media reputation which combines the mass communication theory and the previous research is proposed. Media reputation is an overall judgement of the enterprise. As for the measurement of media reputation, media praise coefficient is proposed, as shown in formula (4.2). In this thesis, we use the media praise coefficient to calculate corporate media reputation.

The data of corporate media reputation comes from the CNRDS platform. On this platform, there is statistical table of online news (by natural day), which quantitatively calculate the total number of all positive, neutral, and negative news each day. The corporate media reputation can be calculated by adding the number of these news into formula (4.2).

Corporate media reputation can be measured in two ways. The first way is to conduct statistical analysis on companies that have a media reputation index, which is actually corporate media reputation. In the thesis, media reputation index is used in regression analysis chapter to analyze the corporate media reputation. The second way is setting the media attention of companies with a media reputation index to 1, and the media attention of companies without a media reputation index to 0. In the thesis, corporate media attention is used in the further study chapter to explore the relationship between the main variables. (P. G. Li & Shen, 2010; Xu & Xin, 2011) use the number of news reports about listed companies in financial newspapers as the media attention index. K. G. Zhou et al. (2014) collect news reports that mentioned about listed company stock abbreviations on the Baidu news platform and uses the number of the news reports as the measurement indicator of the media attention. As the thesis has used the number of news reports to measure the corporate media reputation, 0-1 variable is used to measure the corporate media attention.

$$\textbf{Media reputation coefficient}= \begin{cases} \dfrac{f^2 - fu}{total^2} & \text{, when } f>u; \\ 0 & \text{, when } f=u; \\ \dfrac{fu - u^2}{total^2} & \text{, when } f<u. \end{cases} \tag{4.2}$$

In this formula, f is the number of positive records of the company, u is the number of negative records of the company, total is the total number of records of the company. Besides, the media reputation coefficient is a continuous variable within [-1,1].

4.2.4 CEO media reputation

CEO media reputation can be measured by news reports number, the number of awards and the use of media praise coefficient. For example, Milbourn (2003) and Weng and Chen (2016) use news report number in the previous year as a standard to measure CEO media reputation. Boivie et al. (2016) calculate the amounts of awards gained by each CEO in the past five years to measure CEO media reputation. The awards referred here involve those issued by “CEO Management”, “Forbes”, “Value”, “Industry Weekly”, “Institutional Investor” or “Business Weekly”. The thesis adopts the measurement standard proposed by Deephouse (2000), namely the media reputation coefficient.

The data of CEO media reputation data comes from the online news table of listed company executives on the CNRDS platform. The online news table of listed company executives include indicators such as the positions of the executives, the tones of the news (“1” = positive, “0” = neutral, “-1” = negative), similar news number. The total number of positive, neutral, and negative news of CEOs in listed companies each year are calculated in the formula (2) to get the CEO’s media reputation.

According to the measurement of corporate media reputation, CEO media reputation is also measured in two ways. The first way is to conduct statistical analysis on companies with media reputation index, which is actually the CEO's media reputation. The thesis uses media reputation index in the regression analysis chapter to analyze the CEO's media reputation. The second way is to set the media attention of CEOs with media reputation index to 1 and set the media attention of CEOs without media reputation index to 0. The thesis uses CEO media attention in the further analysis chapter to explore the relationship of the main variables.

4.2.5 Control variables

(1) Size: corporate size. The size of the company has always been widely regarded as a determinant of corporate performance and reputation. Malmi and Brown (2008) and Hstp and Htt (2020) measure corporate size by two indicators: total assets and number of employees. Kotchen and Moon (2012) use the employee number to control the company size. Therefore, this study uses the employee number to measure corporate size.

(2) Age: corporate age. The age of the company is significant to the construction of media reputation. The thesis draws on the measurement standard of Oh et al. (2018), and adopts the natural logarithm of the company's establishment time to measure corporate age.

(3) Leverage: assets liabilities. The debt-to-asset ratio can measure interest costs and leverage risk (Kotchen & Moon, 2012), and has a greater impact on corporate performance. The thesis uses total assets/total liabilities to measure the debt-to-asset ratio.

(4) SOE: corporate nature. The thesis is based on the classification of corporate nature in CSMAR, namely state-owned enterprises; state-owned and private enterprises; private enterprises; foreign and private enterprises; foreign enterprises; others. The value is 1 if the final controller is the country, otherwise it is 0 (W. J. Ni & Chi, 2015).

(5) Bindependent: proportion of independent directors. The independence of the board is conducive to solving the problems of corporate agency. It has always been considered as a potential determinant of corporate performance Hanh and Hien (2020), so the thesis uses the previous ratio of independent directors to measure the independence of the board.

(6) Year. There may be some potential factors that are not controlled in the model of the thesis. These factors may take effect and will affect the company's business activities and performance (Hanh & Hien, 2020). Therefore, the annual effect is controlled in the thesis. The year span is set from 2014 to 2019, and 5 dummy variables are set.

(7) Industry. Since changes in the industry may affect corporate media reputation and corporate performance, the thesis controls the industry and use the industry classification in

2012 China Securities Regulatory Commission in the Guotaian database as the standard. The standard includes 19 industries such as mining, education, culture, sports and entertainment industry. Because of the particularity of the financial industry, it is deleted, so 18 industries are coded from 0-17 as the dummy variables.

The name and calculation method of each variable are shown in Table 4.1.

Table 4.1 Variable names and calculation methods

Types of Variables	Names of Variables	Symbols	Calculation Methods of Variables
Dependent variable	Corporate performance	ROA	net profit/net asset
Independent variable	Corporate charitable donation	Donation	donation amount/total asset
	Corporate rule-breaking behavior	Csir	the natural logarithm of total fines + 1
Mediator	Corporate media reputation	FirmReption	enterprises' media praise coefficient
	Corporate attention index	FirmAttention	1 if has corporate attention index, 0 otherwise
Moderator	CEO media reputation	CeoReption	CEO media praise coefficient
	CEO attention index	CeoAttenttion	1 if has corporate attention index, 0 otherwise
Control variable	Corporate size	Size	number of employees
	Corporate age	Age	the natural logarithm of establishment years
	Asset liabilities	Leverage	total debt/total asset
	Corporate nature	SOE	1 for state-owned enterprises and 0 for others
	Bindependent	Bindependent	number of independent directors/number of directors
	Year	Year	5 dummy variables are set
	Industry	Industry	17 dummy variables are set

4.3 Empirical model

According to the research hypotheses and the measurement of each variable proposed above, the following empirical model is constructed to verify the research hypotheses.

4.3.1 Corporate charitable donation and rule-breaking on corporate financial performance

First of all, this year's corporate performance is the result of the previous year's business activities (Hstp & Htt, 2020). We construct an empirical model with explanatory variable and control variable lagging one year behind to verify Hypothesis 1 and Hypothesis 2. The specific empirical model is as follows:

$$ROA_{i,t}=\alpha_0+\alpha_1 Donation_{i,t-1}+\alpha_2 Csir_{i,t-1}+\alpha_3 Size_{i,t-1}+\alpha_4 Age_{i,t-1}+\alpha_5 Leverage_{i,t-1}+\alpha_6 SOE_{i,t-1}+\alpha_7 Bindependence_{i,t-1}+\alpha_8 Year_i+\alpha_9 Industry_i+\varepsilon_{i,t} \quad (4.3)$$

In this model, i stands for the company; t for the year, ROA for corporate performance, the explained variable, α_0 for the constant, α_1 and α_2 are the coefficients of the explanatory varia α_3-α_9 are the coefficients of the control variable, ε is the error term.

4.3.2 Mediation of corporate media reputation

In order to test Hypothesis 3, 4, 5, and 6, this chapter uses the mediating effect test method provided by Baron and Kenny (1986) to verify the mediating effect hypotheses of this chapter using the hierarchical regression analysis method. Firstly, ROA is taken as the explained variable, and the explanatory variables and control variables lagging one period behind are added. Secondly, Firm Media Reputation is taken as the explained variable, and the explanatory variables and control variables lagging one period behind are added. Thirdly, ROA is taken as the explained variable, and the explained variables, mediators, and control variables lagging one period behind are added. The specific empirical model is as follows:

$$ROA_{i,t}=\alpha_0+\alpha_1 Donation_{i,t-1}+\alpha_2 Csir_{i,t-1}+\alpha_3 Size_{i,t-1}+\alpha_4 Age_{i,t-1}+\alpha_5 Leverage_{i,t-1}+\alpha_6 SOE_{i,t-1}+\alpha_7 Bindependence_{i,t-1}+\alpha_8 Year_i+\alpha_9 Industry_i+\varepsilon_{i,t} \quad (4.4)$$

$$FirmRepution_{i,t}=\alpha_0+\alpha_1 Donation_{i,t-1}+\alpha_2 Csir_{i,t-1}+\alpha_3 Size_{i,t-1}+\alpha_4 Age_{i,t-1}+\alpha_5 Leverage_{i,t-1}+\alpha_6 SOE_{i,t-1}+\alpha_7 Bindependence_{i,t-1}+\alpha_8 Year_i+\alpha_9 Industry_i+\varepsilon_{i,t} \quad (4.5)$$

$$ROA_{i,t}=\alpha_0+\alpha_1 Donation_{i,t-1}+\alpha_2 Csir_{i,t-1}+\alpha_3 FirmRepution_{i,t-1}+\alpha_4 Size_{i,t-1}+\alpha_5 Size_{i,t-1}+\alpha_6 Age_{i,t-1}+\alpha_7 Leverage_{i,t-1}+\alpha_8 SOE_{i,t-1}+\alpha_9 Bindependence_{i,t-1}+\alpha_{10} Year_i+\alpha_{11} Industry_i+\varepsilon_{i,t} \quad (4.6)$$

Compared with α_1 in the model (4.4), the significance level of the α in the model (4.6) is reduced or not significant at all, which means that corporate media reputation plays a partial or complete mediating role between corporate charitable donation and corporate performance.

4.3.3 Moderation of CEO media reputation

To test Hypothesis 7 and Hypothesis 8, this chapter applies hierarchical regression analysis to test the moderation, with corporate media reputation as the explanatory variable. The first step is to put the moderators and control variables into the regression model. The second step is to put explanatory variables, moderators, and control variables into the regression model. The third step is to put the explanatory variables, the interaction term between decentralized explanatory variables and moderators, moderators, and control variables into the regression model. If the interaction term between the explanatory variables and the moderators is significant, the moderating effect is significant. The specific empirical model is as follows:

$$\mathbf{FirmRepution_{i,t-1} = \alpha_0 + \alpha_1 CEOreputation_{i,t-1} + \alpha_2 Size_{i,t-1} + \alpha_3 Age_{i,t-1} + \alpha_4 Leverage_{i,t-1} + \alpha_5 SOE_{i,t-1} + \alpha_6 Bindependence_{i,t-1} + \alpha_7 Year_i + \alpha_8 Industry_i + \varepsilon_{i,t}} \quad (4.7)$$

$$\mathbf{FirmRepution_{i,t-1} = \alpha_0 + \alpha_1 Donation_{i,t-1} + \alpha_2 Csir_{i,t-1} + \alpha_3 CEOreputation_{i,t-1} + \alpha_4 Size_{i,t-1} + \alpha_5 Age_{i,t-1} + \alpha_6 Leverage_{i,t-1} + \alpha_7 SOE_{i,t-1} + \alpha_8 Bindependence_{i,t-1} + \alpha_9 Year_i + \alpha_{10} Industry_i + \varepsilon_{i,t}} \quad (4.8)$$

$$\mathbf{FirmRepution_{i,t-1} = \alpha_0 + \alpha_1 Donation_{i,t-1} + \alpha_2 Csir_{i,t-1} + \alpha_3 Donation_{i,t-1} * CEOreputation_{i,t-1} + \alpha_4 Csir_{i,t-1} * CEOreputation_{i,t-1} + \alpha_5 CEOreputation_{i,t-1} + \alpha_6 Size_{i,t-1} + \alpha_7 Age_{i,t-1} + \alpha_8 Leverage_{i,t-1} + \alpha_9 SOE_{i,t-1} + \alpha_{10} Bindependence_{i,t-1} + \alpha_{11} Year_i + \alpha_{12} Industry_i + \varepsilon_{i,t}} \quad (4.9)$$

4.3.4 Interaction of corporate charitable donation and rule-breaking behavior

In order to test Hypothesis 9 and Hypothesis 10, this chapter applies hierarchical regression analysis to test the interaction effect. To test Hypothesis 9, corporate media reputation is used as the explanatory variable. Firstly, put the control variables into the regression model. Secondly, put the explanatory variables and control variables into the regression model. The third step is to put the explanatory variables, the interaction term between decentralized explanatory variables and control variables into the regression model. If the interaction term between the explanatory variables and the moderators is significant, the moderating effect is significant. Hypothesis 10 can also be test following the above steps by using corporate performance as the explanatory variable. The specific empirical model is as follows:

$$\mathbf{FirmRepution = \alpha_0 + \alpha_1 Size + \alpha_2 Age + \alpha_3 Leverage + \alpha_4 SOE + \alpha_5 Bindependence + \alpha_6 Year + \alpha_7 Industry + \varepsilon} \quad (4.10)$$

$$\mathbf{FirmRepution = \alpha_0 + \alpha_1 Donation + \alpha_2 Csir + \alpha_3 Size + \alpha_4 Age + \alpha_5 Leverage + \alpha_6 SOE + \alpha_7 Bindependence + \alpha_8 Year + \alpha_9 Industry + \varepsilon} \quad (4.11)$$

$$\mathbf{FirmRepution = \alpha_0 + \alpha_1 Donation + \alpha_2 Csir + \alpha_3 Csir * CEOreputation + \alpha_4 Size + \alpha_5 Age + \alpha_6 Leverage + \alpha_7 SOE + \alpha_8 Bindependence + \alpha_9 Year + \alpha_{10} Industry + \varepsilon} \quad (4.12)$$

When corporate media reputation (FirmRepution) is replaced with corporate performance (ROA), the interaction of explanatory variables on corporate performance can be explored. During the regression analysis, variables of different periods will be considered. For details, please refer to the statistical analysis chapter, and the specific time is not specified in the model.

4.4 Chapter summary

This chapter is the empirical research design, in which the data sources and variable measurements are explained, and all the variables in the thesis as well as their calculation methods are introduced in detail. Finally, the empirical model of the thesis is constructed to verify whether the research hypotheses proposed in the previous chapter are supported.

[This page is deliberately left blank.]

Chapter 5: Research Analysis

5.1 Preliminary analysis

5.1.1 Statistical description

Annex Table 4 statistically described the main variables, including their observed value, average, standard deviation, minimum, median, and maximum. There are 2377 listed companies and 5907 observed values in total. During the six years from 2014-2019, 656 enterprises are always state-owned while 1669 are always non-state-owned, 40 enterprises transform its nature from non-state-owned to state-owned while 12 transform oppositely. There are 1763 observed values from state-owned enterprises and 4144 from non-state-owned enterprises. Moreover, the maximum corporate donation is 1,640 billion yuan while the minimum corporate donation is 0 yuan. The maximum fine is 330 million yuan. The maximum value of total assets of the listed companies is 2,733.1 billion yuan while the minimum total assets of listed companies are 3.08 million yuan.

We conducted statistical description analysis on the main variables. After winsorizing by up and down 1%, the maximum ROA is 0.204, the minimum is -0.487, and the average is 0.032, showing a big gap in the levels of corporate financial performance. Corporate charitable donation is measured with the ratio of donation to total asset amount, and the average, minimum, maximum and medium values of corporate charitable donation are 0.0000308, 0, 0.00132, 0, as the values in Annex Table 4 only reserve three decimals, the average, minimum and maximum values are all 0, indicating that corporate donations account for a low proportion in total assets. The minimum corporate rule-breaking behavior is 0, the maximum is 14.730, and the average is 0.617. Rule-breaking is measured with the natural logarithm of the enterprises' fines, so this result suggests a large difference in the total amount of corporate fines. The maximum fine is 2,495,499 yuan, and the median of corporate rule-breaking behavior is 0, indicating that only a very small number of companies have been fined heavily. The minimum of corporate media reputation is 0.001, the maximum is 0.398, and the mean and median are 0.106 and 0.079. According to the calculation formula of corporate media reputation, this indicates that most companies have a small difference in the number of positive and negative reports, while the minimum value of CEO media reputation is 0 and the maximum is 1, the mean and median are 0.176 and 0.060, indicating that in more cases, the number of positive and negative news reports about CEO is closer.

Meanwhile, we conducted statistical description on control variables. The minimum number of the enterprise employees is 130, the maximum is 115,179, the mean is 8,473, the standard deviation is 17,328, and the median is 2,797, indicating that the gap between scales of listed companies is more dispersed, and the mean is greater than the median, indicating that listed companies with larger scale have vital impact. Corporate age is measured by the natural logarithm of the years since its establishment. The minimum of the natural logarithm of the corporate age is 1.946, the maximum is 3.466, and the mean and median are 2.816 and 2.833, the minimum of corporate establish year is 4, the maximum of 52, the average and median are 17.686 and 17, indicating that the corporate age is averagely distributed. The nature of the enterprise is a dummy variable, its value ranges between [0, 1] and its average value is 0.298. The median value of corporate nature is 0, demonstrating that state-owned enterprises is less than half of the total enterprises. The minimum ratio of independent directors ranges between [0.333, 0.600] and its average is 0.79. The median is 0.364, implying a minor difference in the proportion of independent directors, which is consistent with the companies' independent director system.

For the purpose of better comparing and analyzing the variables, the sample is divided into different groups in terms of corporate age, corporate size, and corporate nature. Using the median of corporate size as the standard, companies whose corporate size are below the median are classified as small-sized group, and companies whose corporate size are above the median are classified as large-sized group. As shown in Annex Table 5, the averages of financial performance, the ratio of corporate charitable donations to total assets, corporate media reputation, corporate age, asset-liability ratio and state-owned enterprise number in large-sized group are significantly higher. The average of CEO media reputation in large-sized group is higher but not statistically significant. The average of corporate rule-breaking behavior in large-sized group is significantly lower. The average of independent director proportion in large-sized group is lower but not statistically significant. The maximum and minimum values of each variable are the same in large-sized group and small-sized group. Then, using the median of corporate age as the standard, companies whose corporate ages are below the median are classified as the younger group, and companies whose corporate ages are higher than the median are classified as the elder group. As in Annex Table 6, the average of rule-breaking behavior and corporate size in elder group is higher but not statistically significant. The average of the asset-liability ratio and state-owned enterprise number is significantly higher than that in low-age group. The average of financial performance, corporate media reputation, and independent director ratio in high-age group are significantly lower than those in low-age group. The average of CEO media reputation in the high corporate age group is lower but it is statistically insignificant. The average of the ratio of corporate charitable donations to total assets does not differ between the two groups. The maximum and minimum values of each variable in the high and low age groups are the same. The corporate nature of non-state-owned is set as 0, and state-owned is set as 1. As shown in Annex Table 7, the ratio of corporate charitable donations to total assets, corporate size, corporate age, and asset-liability ratio of the state-owned enterprise group is significantly higher. The average of CEO media reputation and independent director ratio in the state-owned enterprise group is higher but it is not statistically significant. The average of corporate rule-breaking behavior and corporate media reputation of the state-owned enterprise group is significantly lower. The average of the financial performance of the state-owned enterprise group is lower but it is statistically insignificant. The maximum and minimum of each variable in the state-owned enterprise group and the non-state-owned enterprise group are the same.

5.1.2 Correlation analysis

Table 5.1 presents the correlation analysis.

Table 5.1 Correlation analysis

Variables	ROA	Donation	Csir	Firm Repution	Ceo Repution	Size	Age	Leverage	SOE	Bindependent
OA	1.000									
Donation	.075***	1.000								
Csir	-.150***	-.023*	1.000							
FirmRepution	.136***	.008	-.061***	1.000						
CeoRepution	.067***	-.013	-.022*	.276***	1.000					
Size	.051***	.087***	-.058***	-.065***	-.046***	1.000				
Age	-.064***	.003	.025*	-.117***	-.028**	-.007	1.000			
Leverage	-.362***	-.027**	.067***	-.066***	-.018	.241***	.182***	1.000		
SOE	-.013	.033**	-.057***	-.057***	.017	.270***	.186***	.230***	1.000	
Bindependent	-.040***	.012	-.003	-.034***	-.032**	.129***	-.056***	.025*	.013	1.000

Notes: “*** p<0.01, ** p<0.05, * p<0.1”

The correlation coefficient between corporate charitable donation and financial performance is 0.075 ($p<0.01$), implying corporate charitable donation positively correlated with financial performance, which preliminarily support Hypothesis 1. The correlation coefficient between corporate rule-breaking behavior and corporate financial performance is -0.150 ($p<0.01$), demonstrating corporate rule-breaking behavior negatively correlated with financial performance, hence initially supported Hypothesis 2. The correlation coefficient between corporate rule-breaking behavior and corporate media reputation is -0.061 ($p<0.01$), indicating that corporate rule-breaking behavior is significantly negatively correlated with corporate media reputation, which preliminarily support Hypothesis 4. The correlation coefficient between corporate media reputation and financial performance is 0.136 ($p<0.01$), indicating corporate media reputation positively correlated to financial performance. Combined with Hypothesis 4, Hypothesis 6 is preliminarily supported.

The control variables involving corporate size, corporate age, asset-liability ratio, independent director ratio are significantly related to corporate financial performance at the 1% level. Corporate size, corporate age, asset-liability ratio, corporate nature, and independent director ratio are all significantly related to corporate media reputation at the 1% level.

5.2 Regression analysis

The fixed effect model (FEM) can eliminate the endogenous problems caused by some factors that do not change with time. Meanwhile, FEM can reduce endogenity and perform robust processing on the basis of fixed effect to correct possible deviations of heteroscedasticity.

As shown in Annex Table 8, according to the results of Hausman test, the p values of the main effects (Model 1), the mediation (Model 2), and the moderation (Model 3) are all 0.0000, which strongly rejects the null Hypothesis that corporate charitable donation and corporate rule-breaking behavior are not related to corporate financial performance, suggesting a good condition to use the fixed effect regression model. Therefore, the thesis applies this model to test the relationship between corporate charitable donation, rule-breaking and financial performance.

5.2.1 Corporate charitable donation and corporate rule-breaking behavior on financial performance

Table 5.2 displays the regression of corporate charitable donation, corporate rule-breaking behavior on corporate financial performance. Model (1) and (2) together supported Hypothesis

1 and Hypothesis 2.

Hierarchical multiple regression analysis is used to examine the main effect. The first step is to take corporate financial performance (ROA) as the explained variable and add one-year lagging control variables to perform regression analysis to obtain the model (1). In the second step, on the basis of model (1), the one-year lagging corporate charitable donation ($Donation_{t-1}$) and corporate rule-breaking behavior ($Csir_{t-1}$) are added as explanatory variables, and the model (2) is obtained by regression analysis.

Model (2) in Table 5.2 exhibits that the coefficient of $Donation_{t-1}$ on ROA is 32.344 ($p<0.01$), demonstrating that more corporate charitable donation leads to higher financial performance, which then supports Hypothesis 1. The coefficient of $Csir_{t-1}$ on ROA is -0.003 ($p<0.01$), indicating more corporate rule-breaking behavior results in lower financial performance, which supports Hypothesis 2.

Table 5.2 Regression of corporate financial performance on charitable donation and rule-breaking behavior

Variables	(1) ROA	(2) ROA
$Donation_{t-1}$		32.344***
		(5.81)
$Csir_{t-1}$		-0.003***
		(-3.26)
$Size_{t-1}$	0.000***	0.000***
	(6.37)	(6.07)
Age_{t-1}	0.009	0.009
	(1.35)	(1.39)
$Leverage_{t-1}$	-0.135***	-0.130***
	(-8.96)	(-8.67)
SOE_{t-1}	0.010**	0.009**
	(2.39)	(2.16)
$Bindependent_{t-1}$	-0.058	-0.063*
	(-1.55)	(-1.67)
Year	YES	YES
Industry	YES	YES
Constant	0.082***	0.081***
	(3.56)	(3.60)
N	2,651	2,651
R^2	0.121	0.132

Notes: $^{***}p<0.01$, $^{**}p<0.05$, $^{*}p<0.1$; tag_{t-1} represents one-year lagging; the numbers in ( ) represent the value of t.

5.2.2 Mediation of corporate media reputation

Table 5.3 is the regression of corporate charitable donation, corporate rule-breaking behavior, and corporate media reputation on corporate financial performance. By regression analysis, Hypothesis 4 and Hypothesis 6 are supported, while Hypothesis 3 and 5 are unsupported.

The first step of testing the mediating effect is to take corporate financial performance (ROA) as the explained variable, add one-year lagging control variable, and perform regression analysis to obtain the model (1). Then, on the basis of the model (1), add one-year lagging corporate charitable donation ($Donation_{t-1}$) and corporate rule-breaking behavior ($Csir_{t-1}$) as explanatory variables, and a regression analysis is performed to obtain the model (2). The second step is to take corporate media reputation (FirmRepution) as the explained variable, add one-year lagging control variable, and perform regression analysis to obtain the model (3). Then, on the basis of the model (3), add one-year lagging corporate charitable donation (Donationt-1) and corporate rule-breaking behavior (Csirt-1) as explanatory variables, and the model (4) is obtained by regression analysis. The third step is to take corporate financial performance (ROA) as the explained variable, add one-year lagging control variable, one-year lagging corporate charitable donation ($Donation_{t-1}$), corporate rule-breaking behavior ($Csir_{t-1}$), and current corporate media reputation (FirmRepution) as explanatory variables to perform regression analysis to obtain the model (5).

Model (1) and model (2) suggest that Hypothesis 1 and Hypothesis 2 are supported. Model (3) and model (4) show that one-year lagging corporate charitable donation ($Donation_{t-1}$) decreases the magnitude of corporate media reputation (FirmRepution) as the coefficient is -0.737 ($p>0.1$) and is not significant at the 10% level. Therefore, Hypothesis 3 is not supported. One-year lagging corporate rule-breaking behavior ($Csir_{t-1}$) has a significant negative correlation with corporate media reputation (FirmRepution) as the coefficient of $Csir_{t-1}$ is -0.002 and is significant at the 1% level. Hence, Hypothesis 4 is supported. Model (5) shows a positive association between corporate media reputation (FirmRepution) and corporate financial performance (ROA) as the coefficient of FirmRepution is 0.127 ($p<0.01$). Hypothesis 3 is not supported, then Hypothesis 5 is not supported, either. It’s interesting to notice that the correlation coefficient between one-year lagging corporate charitable donation (Donationt-1) and corporate financial performance (ROA) has increased, indicating that although one-year lagging corporate charitable donation ($Donation_{t-1}$) is negatively correlated with corporate media reputation (FirmRepution), decreased corporate media reputation (FirmRepution) can intensify the impact of corporate charitable donation ($Donation_{t-1}$) on corporate financial performance (ROA), possibly because corporate charitable donation is part of the number of positive reports that affect corporate media reputation, and thus will not have significant impact on corporate media reputation. Moreover, the proportion of corporate charitable donation to total assets is generally low, and consumers’ perceived value of corporate charitable donation is relatively weak. However, due to the increase in the number of corporate reports and corporate media reputation, corporate financial performance has increased. Under the influence of increased corporate media reputation (FirmRepution), the correlation coefficient of one-year lagging corporate rule-breaking behavior ($Csir_{t-1}$) to corporate financial performance (ROA) is -0.002 ($p<0.01$), which are the same as one-year lagging corporate rule-breaking behavior ($Csir_{t-1}$) to corporate media reputation (FirmRepution), but the absolute value of the latter coefficient (0.003) is less than former (0.002), indicating that corporate media reputation mediates one-year lagging corporate rule-breaking behavior and corporate financial performance. Therefore, Hypothesis 6 is supported. Refer to Table 5.3 for the regression results of the mediation of corporate media reputation.

Table 5.3 Regression on the mediating role of corporate media reputation

Variables	(1) ROA	(2) ROA	(3) FirmRepution	(4) FirmRepution	(5) ROA
$Donation_{t-1}$		32.344***		-0.737	32.438***
		(5.81)		(-0.09)	(5.96)
$Csir_{t-1}$		-0.003***		-0.002***	-0.002***
		(-3.26)		(-3.89)	(-2.87)
FirmRepution					0.127***
					(8.20)
$Size_{t-1}$	0.000***	0.000***	-0.000***	-0.000***	0.000***
	(6.37)	(6.07)	(-4.22)	(-4.43)	(6.51)
Age_{t-1}	0.009	0.009	-0.019***	-0.019***	0.011*
	(1.35)	(1.39)	(-2.95)	(-2.90)	(1.76)
$Leverage_{t-1}$	-0.135***	-0.130***	0.023**	0.025**	-0.133***
	(-8.96)	(-8.67)	(2.01)	(2.16)	(-8.95)
SOE_{t-1}	0.010**	0.009**	-0.011**	-0.012**	0.010**
	(2.39)	(2.16)	(-2.35)	(-2.47)	(2.50)
$Bindependent_{t-1}$	-0.058	-0.063*	-0.016	-0.019	-0.060
	(-1.55)	(-1.67)	(-0.45)	(-0.52)	(-1.62)
Year	YES	YES	YES	YES	YES
Industry	YES	YES	YES	YES	YES
Constant	0.082***	0.081***	0.157***	0.158***	0.061***
	(3.56)	(3.60)	(6.92)	(6.98)	(2.69)
N	2,651	2,651	2,651	2,651	2,651
R^2	0.121	0.132	0.104	0.108	0.147

Notes: *** $p<0.01$, ** $p<0.05$, * $p<0.1$; tag $_{t-1}$ represents one-year lagging; the numbers in ( ) represent the value of t

5.2.3 Moderation of CEO media reputation

Table 5.4 presents the regression results between corporate charitable donation and corporate rule-breaking behavior, CEO media reputation and corporate media reputation. Hypothesis 7 and Hypothesis 8 of this study are not supported.

The first step of testing the moderating effect is to add one-year lagging CEO media reputation ($CeoRepution_{t-1}$) and the control variables into the regression model, namely model (1). The second step is to add one-year lagging corporate charitable donation ($Donation_{t-1}$) and corporate rule-breaking behavior ($Csir_{t-1}$) to the model (1) to get regression model (2). In the third step, the regression model (3) is obtained by adding the interaction item of the independent variable and the moderator to model (2). Before obtaining the interaction term, relevant variables are decentralized.

Table 5.4 Regression on the moderation of CEO media reputation

Variables	(1) FirmRepution	(2) FirmRepution	(3) FirmRepution
$Donation_{t-1}$		0.097	2.226
		(0.01)	(0.25)
$Csir_{t-1}$		-0.002***	-0.002***
		(-3.74)	(-2.87)
$Donation_{t-1}$ X $CeoRepution_{t-1}$			-14.597
			(-0.34)
$Csir_{t-1}$X $CeoRepution_{t-1}$			-0.002
			(-0.83)
$CeoRepution_{t-1}$	0.053***	0.053***	0.054***
	(6.92)	(6.89)	(6.69)
$Size_{t-1}$	-0.000***	-0.000***	-0.000***
	(-3.76)	(-3.98)	(-3.99)
Age_{t-1}	-0.019***	-0.018***	-0.018***
	(-3.06)	(-3.01)	(-3.00)
$Leverage_{t-1}$	0.022**	0.024**	0.024**
	(2.00)	(2.16)	(2.15)
SOE_{t-1}	-0.012***	-0.012***	-0.012***
	(-2.61)	(-2.74)	(-2.71)
$Bindependent_{t-1}$	-0.009	-0.011	-0.011
	(-0.25)	(-0.32)	(-0.31)
Year	YES	YES	YES
Industry	YES	YES	YES
Constant	0.144***	0.145***	0.145***
	(6.70)	(6.76)	(6.74)
N	2,651	2,651	2,651
R^2	0.126	0.130	0.130

Notes: ***p<0.01, **p<0.05, *p<0.1; tag $_{t-1}$ represents one-year lagging; the numbers in ( ) represent the value of t

Model (3) shows that the correlation coefficient between the interaction term of one-year lagging corporate charitable donation and CEO media reputation ($Donation_{t-1}$ X $CeoRepution_{t-1}$) and corporate media reputation is -14.597 (p>0.1), implying that CEO media reputation does not play a moderating role between corporate charitable donation and corporate media reputation. Therefore, Hypothesis 7 is not supported. This may be related to the relatively low impact between one-year lagging corporate charitable donation (Donationt-1) and corporate media reputation (FirmRepution). However, under the influence of CEO media reputation ($CeoRepution_{t-1}$), and the interaction between corporate charitable donation and CEO media reputation ($Donation_{t-1}$ X $CeoRepution_{t-1}$), the relationship between philanthropy ($Donation_{t-1}$) and corporate media reputation (FirmRepution) is shifted from negative correlation to positive correlation.

The coefficient of the interaction term between one-year lagging corporate rule-breaking behavior and CEO media reputation ($Csir_{t-1}$ X $CeoRepution_{t-1}$) is -0.002 ($p>0.1$), proclaiming that CEO media reputation does not play a moderating role between corporate rule-breaking behavior and corporate media reputation. Therefore, Hypothesis 8 is not supported. This may be related to the difficulty of changing corporate media reputation.

5.2.4 Interaction between corporate charitable donation and rule-breaking behavior

5.2.4.1 Interaction between one-year lagging corporate charitable donation and rule-breaking behavior

Fixed effect regression is used to examine the interaction between one-year lagging corporate charitable donation ($Donation_{t-1}$) and corporate rule-breaking behavior (Csir). Before calculating the interaction terms, the research decentralized corporate charitable donation ($Donation_{t-1}$) and corporate rule-breaking behavior (Csir). As shown in the models (1), (2) and (3) in Table 5.5, the interaction term between one-year lagging corporate charitable donation and corporate rule-breaking behavior ($Donation_{t-1}$ x Csir) is negatively related to corporate media reputation. The coefficient of $Donation_{t-1}$ x Csir is -2.782 and is not significant at the 10% level, therefore, Hypothesis 9 is not supported. As shown in the models (4), (5) and (6) in Table 5.5, the interaction term between one-year lagging corporate charitable donation and corporate rule-breaking behavior ($Donation_{t-1}$ x Csir) is positively correlated with corporate financial performance (ROA). The coefficient of $Donation_{t-1}$ x Csir is 4.067 ($p<0.01$), indicating that one-year lagging corporate charitable donation and corporate rule-breaking behavior exert a positive interaction effect on corporate financial performance. Therefore, Hypothesis 10 is supported.

Table 5.5 Regression on the interaction between one-year lagging corporate charitable donation and corporate rule-breaking behavior

Variables	(1) Firm Repution	(2) Firm Repution	(3) Firm Repution	(4) ROA	(5) ROA	(6) ROA
$Donation_{t-1}$		-0.786	-0.044		31.861***	30.775***
		(-0.09)	(-0.01)		(5.46)	(5.47)
Csir		-0.002***	-0.002***		-0.005***	-0.005***
		(-5.79)	(-5.58)		(-4.12)	(-4.11)
$Donation_{t-1}$ x Csir			-2.782			4.067***
			(-1.58)			(2.66)
$Size_{t-1}$	-0.000***	-0.000***	-0.000***	0.000***	0.000***	0.000***
	(-4.22)	(-4.47)	(-4.41)	(6.37)	(5.99)	(5.95)
Age_{t-1}	-0.019***	-0.019***	-0.019***	0.009	0.008	0.008
	(-2.95)	(-2.99)	(-2.96)	(1.35)	(1.28)	(1.25)
$Leverage_{t-1}$	0.023**	0.026**	0.026**	-0.135***	-0.126***	-0.126***
	(2.01)	(2.25)	(2.24)	(-8.96)	(-8.58)	(-8.56)
SOE_{t-1}	-0.011**	-0.012**	-0.012**	0.010**	0.008*	0.008*
	(-2.35)	(-2.53)	(-2.54)	(2.39)	(1.92)	(1.95)
$Bindependent_{t-1}$	-0.016	-0.017	-0.017	-0.058	-0.061*	-0.060*
	(-0.45)	(-0.47)	(-0.49)	(-1.55)	(-1.68)	(-1.66)
Year	YES	YES	YES	YES	YES	YES
Industry	YES	YES	YES	YES	YES	YES
Constant	0.157***	0.159***	0.158***	0.082***	0.083***	0.084***
	(6.92)	(7.04)	(7.02)	(3.56)	(3.76)	(3.77)
N	2,651	2,651	2,651	2,651	2,651	2,651
R^2	0.104	0.110	0.110	0.121	0.147	0.148

Notes: ***p<0.01, **p<0.05, *p<0.1; tag $_{t-1}$ represents one-year lagging; the numbers in ( ) represent the value of t

In order to further explore the interaction between one-year lagging corporate charitable donation ($Donation_{t-1}$) and corporate rule-breaking behavior (Csir) and analyze how the interaction influences corporate financial performance, the research divides corporate rule-breaking behavior (Csir) into high Csir group and low Csir group to conduct regression analysis. As shown in Figure 5.1, the interaction between corporate rule-breaking behavior (Csir) and one-year lagging corporate charitable donation ($Donation_{t-1}$) can boost its financial performance (ROA). Hypothesis 1 proves the facilitating effect of one-year lagging corporate charitable donation ($Donation_{t-1}$) on financial performance (ROA), and Hypothesis 2 proves the hindering effect of corporate rule-breaking behavior on financial performance. Therefore, one-year lagging corporate charitable donation can eliminate the negative impact of corporate rule-breaking behavior on corporate financial performance. The more corporate rule-breaking behavior, the more negative impact corporate rule-breaking behavior will have on corporate financial performance.

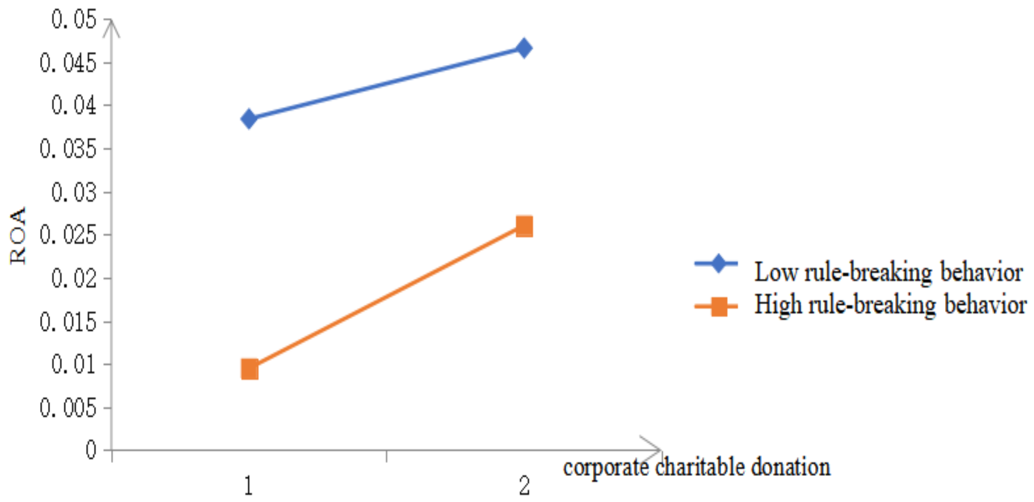

Figure 5.1 Interaction of rule-breaking behavior

5.2.4.2 Interaction between one-year lagging CSIR and corporate charitable donation

The interaction effect between one-year lagging corporate rule-breaking behavior ($Csir_{t-1}$) and corporate charitable donation (Donation) is examined. Before calculating the interaction terms, this research decentralized corporate rule-breaking behavior ($Csir_{t-1}$) and corporate charitable donation (Donation). Table 5.6 exhibit the analysis result.

Table 5.6 Regression on the interaction between one-year lagging corporate rule-breaking behavior and charitable donation

Variables	(1) Firm Repution	(2) Firm Repution	(3) Firm Repution	(4) ROA	(5) ROA	(6) ROA
Donation		4.810	5.466		29.342***	28.889***
		(0.59)	(0.66)		(3.62)	(3.54)
$Csir_{t-1}$		-0.002***	-0.002***		-0.003***	-0.003***
		(-3.88)	(-3.75)		(-3.29)	(-3.25)
$Csir_{t-1}$ x Donation			-3.138			2.167
			(-1.13)			(1.25)
$Size_{t-1}$	-0.000***	-0.000***	-0.000***	0.000***	0.000***	0.000***
	(-4.22)	(-4.48)	(-4.42)	(6.37)	(6.07)	(6.03)
Age_{t-1}	-0.019***	-0.019***	-0.019***	0.009	0.009	0.009
	(-2.95)	(-2.91)	(-2.89)	(1.35)	(1.42)	(1.41)
$Leverage_{t-1}$	0.023**	0.025**	0.025**	-0.135***	-0.130***	-0.130***
	(2.01)	(2.19)	(2.18)	(-8.96)	(-8.71)	(-8.69)
SOE_{t-1}	-0.011**	-0.012**	-0.012**	0.010**	0.009**	0.009**
	(-2.35)	(-2.49)	(-2.49)	(2.39)	(2.15)	(2.16)
$Bindependent_{t-1}$	-0.016	-0.019	-0.019	-0.058	-0.061	-0.061
	(-0.45)	(-0.52)	(-0.53)	(-1.55)	(-1.64)	(-1.63)
Year	YES	YES	YES	YES	YES	YES
Industry	YES	YES	YES	YES	YES	YES
Constant	0.157***	0.158***	0.157***	0.082***	0.081***	0.081***
	(6.92)	(6.97)	(6.96)	(3.56)	(3.56)	(3.57)
N	2,651	2,651	2,651	2,651	2,651	2,651

R^2	0.104	0.108	0.108	0.121	0.131	0.131

Notes: ***p<0.01, **p<0.05, *p<0.1; tag $_{t-1}$ represents one-year lagging; the numbers in ( ) represent the value of t

The impact of the interaction term between one-year lagging corporate rule-breaking behavior and corporate charitable donation ($Csir_{t-1}$ x Donation) on corporate media reputation (FirmRepution) is shown in the models (1), (2) and (3) in Table 5.8. The coefficient of $Csir_{t-1}$ x Donation is -3.138 and is not significant at the 10% level. Therefore, Hypothesis 9 is not supported. The influence of the interaction term between one-year lagging corporate rule-breaking behavior and corporate charitable donation ($Csir_{t-1}$ x Donation) on financial performance (ROA) is shown in models (4), (5) and (6) in Table 5.6. The coefficient of $Csir_{t-1}$ x Donation is 2.167 and is not significant at the 10% level. Therefore, Hypothesis 10 is not supported.

5.3 Further research

5.3.1 Two-year lagging corporate charitable donation, rule-breaking behavior and other contemporaneous variables

5.3.1.1 Main effect of two-year lagging explanatory variables

The regression results between the two-year lagging corporate charitable donation and corporate rule-breaking behavior and corporate financial performance are shown in Table 5.7. Hypothesis 1 and Hypothesis 2 are supported.

After the hierarchical multiple regression analysis, model (2) in Table 5.7 demonstrates that the coefficient of $Donation_{t-2}$ is 17.503 (p<0.05), which indicates the more corporate charitable donation, the higher corporate financial performance. Therefore, Hypothesis 1 is supported. The coefficient of $Csir_{t-2}$ is -0.002 (p<0.01), implying that the more rule-breaking behavior will lead to lower corporate financial performance. Therefore, Hypothesis 2 is supported. However, compared with one-year lagging corporate charitable donation and corporate rule-breaking behavior, its relevance and significance to corporate financial performance are weaker.

Table 5.7 Regression of corporate financial performance on corporate charitable donation and corporate rule-breaking behavior

Variables	(1) ROA	(2) ROA
$Donation_{t-2}$		17.503**
		(2.14)
$Csir_{t-2}$		-0.002*
		(-1.93)
Size	0.000***	0.000***
	(9.46)	(7.29)
Age	0.004	0.005
	(0.98)	(0.55)
Leverage	-0.178***	-0.223***
	(-17.88)	(-11.40)
SOE	0.008***	0.016***
	(2.60)	(3.21)
Bindependent	-0.068***	-0.098**
	(-2.81)	(-2.20)
Year	YES	YES
Industry	YES	YES
Constant	0.118***	0.143***
	(8.31)	(4.82)
N	5,907	1,991
R^2	0.189	0.239

Notes: ***p<0.01, **p<0.05, *p<0.1; tag $_{t-2}$ represents two-year lagging; tag $_{t-1}$ represents one-year lagging; the numbers in ( ) represent the value of t

5.3.1.2 Mediation of corporate media reputation

The regression results between two-year lagging corporate charitable donation and corporate rule-breaking behavior, and current corporate media reputation and corporate financial performance are shown in Table 5.8. Hypothesis 4 is supported while Hypothesis 3, Hypothesis 5, and Hypothesis 6 are not supported.

This section tests the mediating effect and Model (1) and model (2) support Hypothesis 1 and Hypothesis 2. Through model (3) and model (4), two-year lagging corporate charitable donation (Donationt-2) has negative impact on corporate media reputation (FirmRepution), and the coefficient is -13.641 and is not significant at the 10% level. Therefore, Hypothesis 3 is not supported. two-year lagging corporate rule-breaking behavior ($Csir_{t-2}$) has a significant negative correlation with corporate media reputation (FirmRepution). The coefficient of $Csir_{t-2}$ is -0.001 ($p<0.01$), supporting Hypothesis 4. From model (5), we can see a positive association between corporate media reputation (FirmRepution) and financial performance (ROA) with the coefficient of FirmRepution being 0.125 ($p<0.01$). As Hypothesis 3 is not supported, Hypothesis 5 is not supported, and the correlation coefficient of two-year lagging corporate charitable donation ($Donation_{t-2}$) to corporate financial performance (ROA) has also increased.

Under the influence of increasing corporate media reputation (FirmRepution), the correlation coefficient of two-year lagging corporate rule-breaking behavior ($Csir_{t-2}$) to corporate financial performance (ROA) is -0.002 ($p<0.01$), similarly to the coefficient and significance of two-year lagging corporate rule-breaking behavior ($Csir_{t-2}$) to corporate financial performance (ROA), and its absolute value is 0.002, which is higher than 0.001, the absolute value of the correlation coefficient of two-year lagging corporate rule-breaking behavior ($Csir_{t-2}$) to corporate media reputation (FirmRepution). Therefore, corporate media reputation does not play a mediating role between one-year lagging corporate rule-breaking behavior and financial performance, thus failed Hypothesis 6.

Table 5.8 Regression on the mediating role of corporate media reputation

Variables	(1) ROA	(2) ROA	(3) FirmRepution	(4) FirmRepution	(5) ROA
$Donation_{t-2}$		17.503**		-13.641	19.202**
		(2.14)		(-1.28)	(2.45)
$Csir_{t-2}$		-0.002*		-0.001*	-0.002*
		(-1.93)		(-1.73)	(-1.80)
FirmRepution					0.125***
					(6.63)
Size	0.000***	0.000***	-0.000***	-0.000***	0.000***
	(9.46)	(7.29)	(-4.15)	(-3.38)	(7.58)
Age	0.004	0.005	-0.013***	-0.023***	0.007
	(0.98)	(0.55)	(-2.72)	(-3.13)	(0.91)
Leverage	-0.178***	-0.223***	0.007	0.008	-0.224***
	(-17.88)	(-11.40)	(0.89)	(0.75)	(-11.54)
SOE	0.008***	0.016***	-0.004	-0.002	0.016***
	(2.60)	(3.21)	(-1.12)	(-0.48)	(3.29)
Bindependent	-0.068***	-0.098**	-0.056**	-0.035	-0.093**
	(-2.81)	(-2.20)	(-2.30)	(-1.00)	(-2.12)
Year	YES	YES	YES	YES	YES
Industry	YES	YES	YES	YES	YES
Constant	0.118***	0.143***	0.165***	0.178***	0.121***
	(8.31)	(4.82)	(9.89)	(6.90)	(4.06)
N	5,907	1,991	5,907	1,991	1,991
R^2	0.189	0.239	0.069	0.107	0.248

Notes: ***p<0.01, **p<0.05, *p<0.1; tag $_{t-2}$ represents two-year lagging; tag $_{t-1}$ represents one-year lagging; the numbers in ( ) represent the value of t

5.3.1.3 Moderation of CEO media reputation

Table 5.9 shows the regression results between two-year lagging corporate charitable donation and corporate rule-breaking behavior, and between contemporaneous CEO media reputation and corporate media reputation. Hypothesis 7 and Hypothesis 8 are not supported.

Table 5.9 The moderating effect of CEO media reputation

Variables	(1) FirmRepution	(2) FirmRepution	(3) FirmRepution
$Donation_{t-2}$		-14.628	-28.778**
		(-1.47)	(-2.58)
$Csir_{t-2}$		-0.001	-0.001
		(-1.24)	(-1.57)
$Donation_{t-12}$X CeoRepution			78.338**
			(2.23)
$Csir_{t-2}$X CeoRepution			0.003
			(0.56)
CeoRepution	0.088***	0.079***	0.076***
	(16.75)	(8.26)	(7.73)
Size	-0.000***	-0.000**	-0.000**
	(-3.38)	(-2.22)	(-2.20)
Age	-0.012***	-0.024***	-0.023***
	(-2.79)	(-3.35)	(-3.24)
Leverage	0.006	0.008	0.009
	(0.88)	(0.80)	(0.88)
SOE	-0.006*	-0.006	-0.006
	(-1.85)	(-1.20)	(-1.24)
Bindependent	-0.044*	-0.034	-0.034
	(-1.94)	(-1.02)	(-1.05)
Year	YES	YES	YES
Industry	YES	YES	YES
Constant	0.143***	0.166***	0.164***
	(9.33)	(6.77)	(6.70)
N	5,907	1,991	1,991
R^2	0.132	0.160	0.161

Notes: ***p<0.01, **p<0.05, *p<0.1; tag $_{t-2}$ represents two-year lagging; tag $_{t-1}$ represents one-year lagging; the numbers in ( ) represent the value of t

This section tests the moderating effect. As shown in Table 5.9, the regression of model (2) shows the correlation coefficient between two-year lagging corporate charitable donation ($Donation_{t-2}$) and corporate media reputation (FirmRepution) is -14.628 ($p>0.1$). After increasing CEO media reputation (CeoRepution), the coefficient of $Donation_{t-2}$ is -28.778 ($p<0.05$). The correlation coefficient of the interaction term between two-year lagging corporate charitable donation and CEO media reputation ($Donation_{t-2}$ X CeoRepution) on corporate media reputation is 78.338 ($p<0.01$), indicating that CEO media reputation grabs stakeholders' attention on corporate charitable donation, thereby weakening corporate media reputation. Therefore, Hypothesis7 is unsupported. The coefficient of the interaction term between two-year lagging corporate rule-breaking behavior and CEO media reputation ($Csir_{t-2}$ X CeoRepution) is 0.003 ($p>0.1$), indicating that CEO media reputation does not play a moderating role between corporate rule-breaking behavior and corporate media reputation. Therefore, Hypothesis 8 is not supported. This may be related to the small impact of CEO media reputation.

5.3.2 Contemporaneous variables

5.3.2.1 Main effect of contemporaneous variables

The regression results between corporate charitable donation and corporate rule-breaking behavior and corporate financial performance are shown in Table 5.10. Hypothesis 1 and Hypothesis 2 are supported.

This section tests the main effect. Model (2) in Table 5.10 show that the coefficient of Donation is 30.614 ($p<0.01$), indicating that corporate charitable donation would increase and boost corporate financial performance, which supports Hypothesis 1. The coefficient of Csir is -0.003 ($p<0.01$), demonstrating that corporate rule-breaking behavior would decrease lower corporate financial performance, which supports Hypothesis 2.

Table 5.10 Regression of corporate financial performance on corporate charitable donation and corporate rule-breaking behavior

Variables	(1) ROA	(2) ROA
Donation		30.614***
		(4.95)
Csir		-0.003***
		(-5.39)
Size	0.000***	0.000***
	(9.46)	(9.11)
Age	0.004	0.004
	(0.98)	(1.11)
Leverage	-0.178***	-0.172***
	(-17.88)	(-17.80)
SOE	0.008***	0.006**
	(2.60)	(2.19)
Bindependent	-0.068***	-0.068***
Year	YES	YES
Industry	YES	YES
	(-2.81)	(-2.87)
Constant	0.118***	0.116***
	(8.31)	(8.37)
N	5,907	5,907
R^2	0.189	0.203

Notes: ***p<0.01, **p<0.05, *p<0.1; the numbers in ( ) represent the value of t

5.3.2.2 Mediation of corporate media reputation

Table 5.11 presents the regression results between corporate charitable donation and corporate rule-breaking behavior, and between corporate media reputation and corporate financial performance. Hypothesis 4 is supported; Hypothesis 3, Hypothesis 5, and Hypothesis 6 are not supported.

Model (1) and model (2) suggest that Hypothesis 1 and Hypothesis 2 are supported. According to the results of model (3) and model (4), corporate charitable donation (donation) could upgrade corporate media reputation (FirmRepution), as the coefficient is 8.050 and is not significant at the 10% level. Therefore, Hypothesis 3 is not supported. Corporate rule-breaking behavior (Csir) has a significant negative correlation with corporate media reputation (FirmRepution). The Csir coefficient is -0.002 ($p<0.01$). Therefore, Hypothesis 4 is supported. Model (5) shows that there is a significant positive correlation between corporate media reputation (FirmRepution) and corporate financial performance (ROA). The FirmRepution coefficient is 0.107 ($p<0.01$). Because Hypothesis 3 is not supported, then Hypothesis 5 is not supported, either, which is consistent with the results of one-year lagging study, indicating that contemporaneous philanthropy may not significantly improve corporate media reputation and thereby enhance corporate financial performance.

Table 5.11 Regression on the mediating effect of corporate media reputation

Variables	(1) ROA	(2) ROA	(3) FirmRepution	(4) FirmRepution	(5) ROA
Donation		30.614***		8.050	29.755***
		(4.95)		(1.13)	(4.86)
Csir		-0.003***		-0.002***	-0.003***
		(-5.39)		(-6.82)	(-4.98)
FirmRepution					0.107***
					(11.79)
Size	0.000***	0.000***	-0.000***	-0.000***	0.000***
	(9.46)	(9.11)	(-4.15)	(-4.62)	(9.59)
Age	0.004	0.004	-0.013***	-0.013***	0.006
	(0.98)	(1.11)	(-2.72)	(-2.65)	(1.48)
Leverage	-0.178***	-0.172***	0.007	0.010	-0.173***
	(-17.88)	(-17.80)	(0.89)	(1.32)	(-18.11)
SOE	0.008***	0.006**	-0.004	-0.005	0.007**
	(2.60)	(2.19)	(-1.12)	(-1.34)	(2.38)
Bindependent	-0.068***	-0.068***	-0.056**	-0.056**	-0.062***
	(-2.81)	(-2.87)	(-2.30)	(-2.31)	(-2.64)
Year	YES	YES	YES	YES	YES
Industry	YES	YES	YES	YES	YES
Constant	0.118***	0.116***	0.165***	0.164***	0.099***
	(8.31)	(8.37)	(9.89)	(9.87)	(7.09)
N	5,907	5,907	5,907	5,907	5,907
R^2	0.189	0.203	0.069	0.073	0.215

Notes: ***p<0.01, **p<0.05, *p<0.1; the numbers in ( ) represent the value of t

Under the influence of increasing corporate media reputation (FirmRepution), the correlation coefficient of corporate rule-breaking behavior (Csir) to corporate financial performance (ROA) is -0.003 ($p<0.01$), which are the same as the coefficient and significance of corporate rule-breaking behavior (Csir) and corporate financial performance. Meanwhile, its absolute value of regression coefficient is higher than the absolute value of the regression coefficient of corporate rule-breaking behavior (Csir) to corporate media reputation (FirmRepution). Therefore, corporate media reputation does not play a mediating role between corporate rule-breaking behavior and corporate financial performance, thus Hypothesis 6 is not supported.

5.3.2.3 Moderation of CEO media reputation

Table 5.9 shows the regression results between corporate charitable donation and corporate rule-breaking behavior, and between CEO media reputation and corporate media reputation. Hypothesis 7 and Hypothesis 8 are not supported.

This section tests the moderating effect. The regression result of model (3) shows that the correlation coefficient of the interaction term between corporate charitable donation and CEO media reputation (Donation X CeoRepution) and corporate media reputation is -9.884 and is not significant at the level of 10%, indicating that CEO media reputation does not play a moderating role between corporate charitable donation and corporate media reputation. Therefore, Hypothesis 7 is not supported. This may be related to the insignificant influence between corporate charitable donation (Donation) and corporate media reputation (FirmRepution). However, under the influence of CEO media reputation (CeoRepution) and the interaction term between corporate charitable donation and CEO media reputation (Donation X CeoRepution), the positive correlation between philanthropy (Donation) and corporate media reputation (FirmRepution) has been strengthened.

The coefficient of the interaction term between one-year lagging corporate rule-breaking behavior and CEO media reputation (Csir X CeoRepution) is 0.000 and is not significant at the level of 10%, indicating that CEO media reputation does not play a moderating role between corporate rule-breaking behavior and corporate media reputation. Therefore, Hypothesis 8 is not supported. This may due to stakeholders’ strong perception on corporate rule-breaking behavior. When there exists corporate rule-breaking behavior, CEO media reputation yields limited changes on corporate media reputation. Refer to Table 5.12 for explicit results.

Table 5.12 The moderating effect of CEO media reputation

Variables	(1) FirmReption	(2) FirmReption	(3) FirmReption
Donation		8.619	10.051
		(1.21)	(1.24)
Csir		-0.002***	-0.002***
		(-6.66)	(-5.86)
Donation X CeoReption			-9.884
			(-0.26)
Csir X CeoReption			0.000
			(0.29)
CeoReption	0.088***	0.088***	0.088***
	(16.75)	(16.71)	(16.04)
Size	-0.000***	-0.000***	-0.000***
	(-3.38)	(-3.84)	(-3.84)
Age	-0.012***	-0.012***	-0.012***
	(-2.79)	(-2.72)	(-2.72)
Leverage	0.006	0.009	0.009
	(0.88)	(1.30)	(1.30)
SOE	-0.006*	-0.007**	-0.007**
	(-1.85)	(-2.07)	(-2.08)
Bindependent	-0.044*	-0.044*	-0.044*
	(-1.94)	(-1.95)	(-1.94)
Year	YES	YES	YES
Industry	YES	YES	YES
Constant	0.143***	0.142***	0.142***
	(9.33)	(9.30)	(9.30)
N	5,907	5,907	5,907
R^2	0.132	0.136	0.136

Notes: ***p<0.01, **p<0.05, *p<0.1; the numbers in ( ) represent the value of t

5.3.3 Two-year lagging corporate charitable donation and rule-breaking behavior

5.3.3.1 The interaction between two-year lagging corporate charitable donation and one-year lagging rule-breaking behavior

This study uses fixed effect regression to test the interaction effect between two-year lagging corporate charitable donation ($Donation_{t-2}$) and one-year lagging corporate rule-breaking behavior ($Csir_{t-1}$). Before calculating the interaction terms, this study decentralized two-year lagging corporate charitable donation ($Donation_{t-2}$) and one-year lagging corporate rule-breaking behavior ($Csir_{t-1}$). As shown in the models (1), (2) and (3) in Table 5.13, the interaction term between two-year lagging corporate charitable donation and one-year lagging corporate rule-breaking behavior ($Donation_{t-2}$ x $Csir_{t-1}$) is negatively related to corporate media reputation (FirmReption). The coefficient of $Donation_{t-2}$ x $Csir_{t-1}$ is -2.097 and is not significant at the 10% level. Therefore, Hypothesis 9 is not supported. As shown in the models (4), (5) and (6) in Table 5.13, the interaction term between two-year lagging corporate charitable donation and one-year lagging corporate rule-breaking behavior ($Donation_{t-2}$ x $Csir_{t-1}$) is positively related to corporate financial performance (ROA). The coefficient of $Donation_{t-2}$ x $Csir_{t-1}$ is 3.102 ($p<0.01$), indicating that two-year lagging corporate charitable donation and one-year lagging corporate rule-breaking behavior have positive interaction effect on corporate financial performance. Therefore, Hypothesis 10 is supported.

Table 5.13 Regression on the interaction between two-year lagging corporate charitable donation and one-year lagging corporate rule-breaking behavior

Variables	(1) Firm Repution	(2) Firm Repution	(3) Firm Repution	(4) ROA	(5) ROA	(6) ROA
$Donation_{t-2}$		-12.848	-11.782		17.200*	15.572*
		(-1.09)	(-0.97)		(1.92)	(1.69)
$Csir_{t-1}$		-0.001	-0.001		-0.004***	-0.004***
		(-1.53)	(-1.37)		(-3.00)	(-2.96)
$Donation_{t-2}$			-2.097			3.102*
x $Csir_{t-1}$			(-0.89)			(1.67)
$Size_{t-2}$	-0.000***	-0.000***	-0.000***	0.000***	0.000***	0.000***
	(-3.74)	(-3.51)	(-3.42)	(5.47)	(4.21)	(4.11)
Age_{t-2}	-0.021***	-0.018**	-0.018**	0.002		0.002
	(-3.12)	(-2.24)	(-2.21)	(0.31)		(0.21)
$Leverage_{t-2}$	0.010	0.017	0.016	-0.135***	-0.154***	-0.154***
	(0.86)	(1.13)	(1.10)	(-6.97)	(-6.48)	(-6.35)
SOE_{t-2}	-0.004	-0.007	-0.007	0.020***	0.017***	0.017***
	(-0.73)	(-1.18)	(-1.20)	(3.87)	(3.11)	(3.02)
Bindepende	-0.026	0.029	0.029	-0.042	-0.023	-0.021
nt_{t-2}	(-0.71)	(0.62)	(0.61)	(-0.91)	(-0.45)	(-0.41)
Year	YES	YES	YES	YES	YES	YES
Industry	YES	YES	YES	YES	YES	YES
Constant	0.164***	0.133***	0.133***	0.084***	0.101***	0.094***
	(6.77)	(4.43)	(4.41)	(2.81)	(4.38)	(2.67)
N	1,991	1,403	1,403	1,991	1,403	1,403
R^2	0.107	0.122	0.122	0.124	0.158	0.158

Notes: ***$p<0.01$, **$p<0.05$, *$p<0.1$; tag $_{t-2}$ represents two-year lagging; tag $_{t-1}$ represents one-year lagging; the numbers in ( ) represent the value of t

In order to further explore the interaction between two-year lagging corporate charitable donation ($Donation_{t-1}$) and one-year lagging corporate rule-breaking behavior (Csir), and analyze how the interaction influences corporate financial performance, the research divides corporate rule-breaking behavior (Csir) into high Csir group and low Csir group to conduct regression analysis. As shown in Figure 5.2, the interaction between corporate rule-breaking behavior (Csir) and one-year lagging corporate charitable donation (Donationt-1) has a positive effect on corporate financial performance (ROA). The test of Hypothesis 1 proves the positive effect of two-year lagging corporate charitable donation ($Donation_{t-1}$) on corporate financial performance (ROA), and the test of Hypothesis 2 proves the negative effect of one-year lagging corporate rule-breaking behavior on corporate financial performance. Therefore, two-year lagging corporate charitable donation can eliminate the negative impact of one-year lagging corporate rule-breaking behavior on corporate financial performance. The more one-year lagging corporate rule-breaking behavior, the more negative impact two-year lagging corporate rule-breaking behavior can eliminate on corporate financial performance.

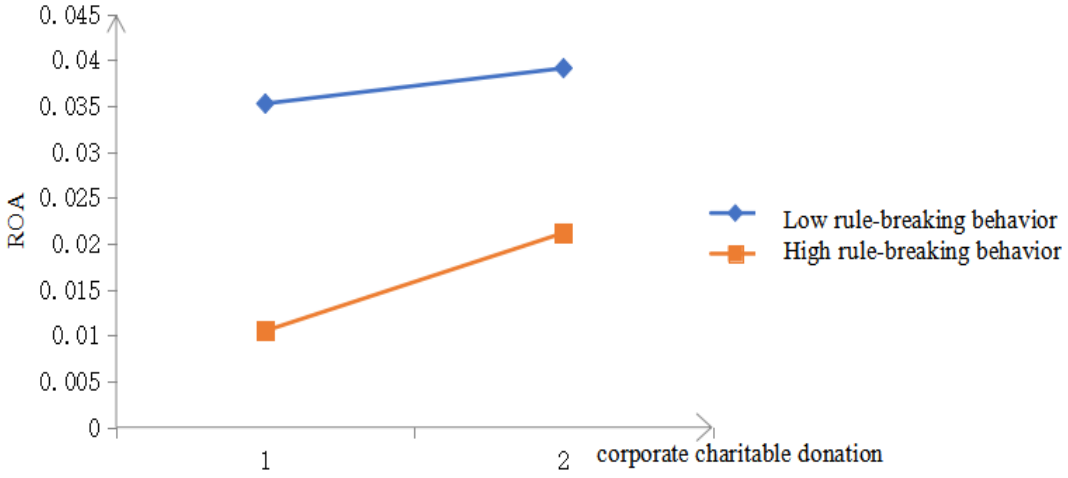

Figure 5.2 Interaction of rule-breaking behavior

5.3.3.2 The interaction between two-year lagging CSIR and one-year lagging charitable donation

This study uses fixed effects regression to test the interaction effects of two-year lagging corporate rule-breaking behavior ($Csir_{t-2}$) and one-year lagging corporate charitable donation ($Donation_{t-1}$). Before calculating the interaction term, this study decentralized the two-year lagging corporate rule-breaking behavior ($Csir_{t-2}$) and the one-year lagging corporate charitable donation ($Donation_{t-1}$). The analysis results are shown in Table 5.14.

Table 5.14 Regression on the interaction between two-year lagging corporate rule-breaking behavior and one-year lagging corporate charitable donation

Variables	(1) Firm Repution	(2) Firm Repution	(3) Firm Repution	(4) ROA	(5) ROA	(6) ROA
$Donation_{t-1}$		-22.014**	-22.543**		28.477***	25.498***
		(-2.38)	(-2.38)		(4.04)	(3.87)
$Csir_{t-2}$		-0.001	-0.001		-0.003**	-0.003**
		(-0.74)	(-0.79)		(-2.05)	(-2.23)
$Csir_{t-2}$ x $Donation_{t-1}$			1.663			9.366***
			(0.78)			(4.52)
$Size_{t-2}$	-0.000***	-0.000***	-0.000***	0.000***	0.000***	0.000***
	(-3.74)	(-3.43)	(-3.43)	(5.47)	(4.19)	(4.04)
Age_{t-2}	-0.021***	-0.018**	-0.018**	0.002	0.004	0.003
	(-3.12)	(-2.22)	(-2.22)	(0.31)	(0.38)	(0.32)
$Leverage_{t-2}$	0.010	0.015	0.015	-0.135***	-0.154***	-0.153***
	(0.86)	(1.00)	(1.01)	(-6.97)	(-6.33)	(-6.29)
SOE_{t-2}	-0.004	-0.007	-0.007	0.020***	0.017***	0.017***
	(-0.73)	(-1.11)	(-1.09)	(3.87)	(2.96)	(3.04)
$Bindependent_{t-2}$	-0.026	0.031	0.031	-0.042	-0.017	-0.015
	(-0.71)	(0.65)	(0.66)	(-0.91)	(-0.33)	(-0.29)
Year	YES	YES	YES	YES	YES	YES
Industry	YES	YES	YES	YES	YES	YES
Constant	0.164***	0.133***	0.133***	0.084***	0.087**	0.088**
	(6.77)	(4.41)	(4.41)	(2.81)	(2.47)	(2.49)
N	1,991	1,403	1,403	1,991	1,403	1,403
R-squared	0.107	0.123	0.124	0.124	0.156	0.158

Notes: ***p<0.01, **p<0.05, *p<0.1; tag $_{t-2}$ represents two-year lagging; tag $_{t-1}$ represents one-year lagging; the numbers in ( ) represent the value of t

The effect of the interaction term between two-year lagging corporate rule-breaking behavior and one-year lagging corporate charitable donation ($Csir_{t-2}$ x $Donation_{t-1}$) on corporate media reputation (FirmRepution) is shown in the models (1), (2) and (3) in Table 5.14, and the coefficient of $Csir_{t-2}$ x $Donation_{t-1}$ is 1.663 and is not significant at the 10% level. Therefore, Hypothesis 9 is not supported. The impact of the interaction term between corporate charitable donation and corporate rule-breaking behavior ($Csir_{t-2}$ x $Donation_{t-1}$) on corporate financial performance (ROA) is shown in the models (4), (5) and (6) in Table 5.14. The coefficient of $Csir_{t-2}$ x $Donation_{t-1}$ is 9.366 ($p<0.01$), indicating that two-year lagging corporate rule-breaking behavior and one-year lagging corporate charitable donation have positive interaction effect on corporate financial performance. Therefore, Hypothesis 10 is supported.

In order to further explore the interaction between two-year lagging corporate rule-breaking behavior ($Csir_{t-2}$) and one-year lagging corporate charitable donation ($Donation_{t-1}$), and analyze how the interaction influences corporate financial performance, the research divides one-year lagging corporate charitable donation ($Donation_{t-1}$) into high donation group and low donation group to conduct regression analysis. As shown in Figure 5.3, the interaction between two-year lagging corporate rule-breaking behavior ($Csir_{t-2}$) and one-year lagging corporate charitable donation ($Donation_{t-1}$) has a positive effect on corporate financial performance (ROA). The test of Hypothesis 1 proves the positive effect of one-year lagging corporate charitable donation ($Donation_{t-1}$) on corporate financial performance (ROA), and the test of Hypothesis 2 proves the negative effect of one-year lagging corporate rule-breaking behavior on corporate financial performance. Therefore, one-year lagging corporate charitable donation can eliminate the negative impact of two-year lagging corporate rule-breaking behavior on corporate financial performance. The more one-year lagging corporate charitable donation, the more negative impact of one-year corporate rule-breaking behavior on corporate financial performance will be eliminated.

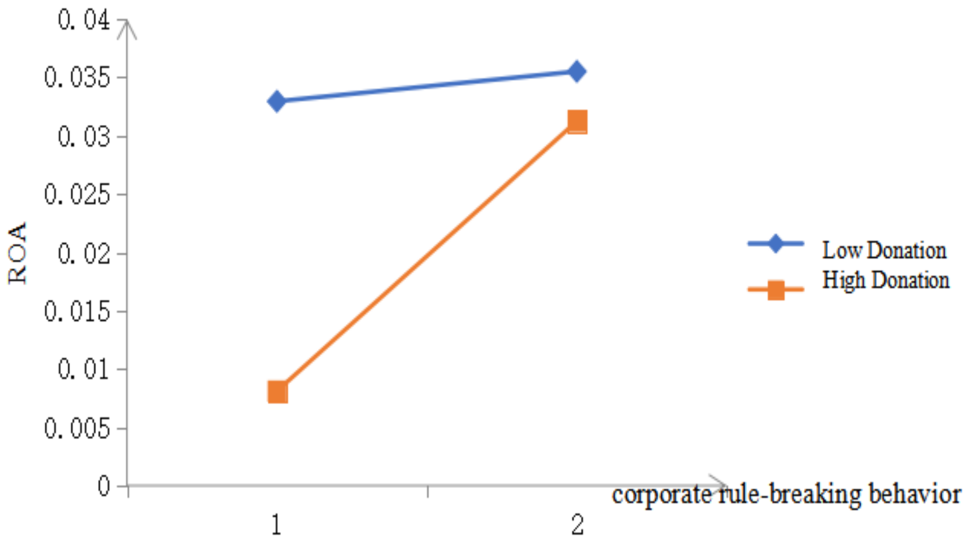

Figure 5.3 Interaction of corporate charitable donation

5.3.4 Corporate media attention and CEO media attention

All the data sources in this chapter are the same as above. Corporate media attention and CEO media attention are treated as dummy variables. For corporate with media reputation index, the corporate media attention is defined as 1, and for corporate without media reputation index, the corporate media attention is defined as 0. For CEO with media reputation index, the CEO media attention is defined as 1, and for CEO without media reputation index, the CEO media attention is defined as 0. The other data measurement is consistent with the above. The financial industry and the missing values are eliminated. Finally, 19,094 observations of unbalanced panel data are obtained, and continuous variables are winsorized at the upper and lower 1% levels. ST and *ST companies are retained to focus on the impact of ST and *ST companies with poor operating conditions on corporate rule-breaking behavior.

5.3.4.1 Corporate charitable donation and rule-breaking behavior on financial performance

The regression results between corporate charitable donation and corporate rule-breaking behavior and corporate financial performance are shown in Table 5.15. Hypothesis 1 and Hypothesis 2 are supported.

Table 5.15 Regression of financial performance on corporate charitable donation and corporate rule-breaking behavior

Variables	(1) ROA	(2) ROA
$Donation_{t-1}$		51.009***
		(7.20)
$Csir_{t-1}$		-0.002***
		(-5.54)
$Size_{t-1}$	0.000***	0.000***
	(10.56)	(9.86)
Age_{t-1}	-0.005	-0.004
	(-1.63)	(-1.49)
$Leverage_{t-1}$	-0.110***	-0.107***
	(-19.53)	(-19.26)
SOE_{t-1}	0.005***	0.005***
	(2.84)	(2.61)
$Bindependent_{t-1}$	-0.040**	-0.040**
	(-2.45)	(-2.49)
Year	YES	YES
Industry	YES	YES
Constant	0.096***	0.095***
	(9.86)	(9.79)
N	15,312	15,312
R^2	0.082	0.088

Notes: ***p<0.01, **p<0.05, *p<0.1; tag $_{t-1}$ represents one-year lagging; the numbers in ( ) represent the value of t

The results of model (2) in Table 5.15 show that the coefficient of Donationt-1 is 51.009 ($p<0.01$), indicating that the more corporate charitable donation, the higher corporate financial performance. Therefore, Hypothesis1 is supported. The coefficient of $Csir_{t-1}$ is -0.002 ($p<0.01$), indicating that the more corporate rule-breaking behavior, the lower corporate financial performance. Therefore, Hypothesis 2 is supported.

5.3.4.2 Mediation of corporate media attention

Table 5.16 shows the regression results between corporate charitable donation and corporate rule-breaking behavior, and between corporate media attention and corporate financial performance. Hypothesis 3 of this study is supported. Hypothesis 4, Hypothesis 5, and

Hypothesis 6 are not supported.

Table 5.16 Regression of the main effect and mediating effect

Variables	(1) ROA	(2) ROA	(3) FirmRepution	(4) FirmRepution	(5) ROA
$Donation_{t-1}$		51.009***		13.650***	51.204***
		(7.20)		(2.66)	(7.23)
$Csir_{t-1}$		-0.002***		0.000	-0.002***
		(-5.54)		(1.23)	(-5.53)
FirmAttention					-0.014**
					(-2.02)
$Size_{t-1}$	0.000***	0.000***	0.000***	0.000***	0.000***
	(10.56)	(9.86)	(3.50)	(3.38)	(9.92)
Age_{t-1}	-0.005	-0.004	0.002	0.002	-0.004
	(-1.63)	(-1.49)	(0.53)	(0.51)	(-1.48)
$Leverage_{t-1}$	-0.110***	-0.107***	-0.006	-0.006	-0.107***
	(-19.53)	(-19.26)	(-0.66)	(-0.67)	(-19.28)
SOE_{t-1}	0.005***	0.005***	-0.007	-0.007	0.005**
	(2.84)	(2.61)	(-1.64)	(-1.61)	(2.56)
Bindepen	-0.040**	-0.040**	0.021	0.021	-0.040**
$dent_{t-1}$	(-2.45)	(-2.49)	(1.11)	(1.12)	(-2.47)
Year	YES	YES	YES	YES	YES
Industry	YES	YES	YES	YES	YES
Constant	0.096***	0.095***	0.980***	0.980***	0.109***
	(9.86)	(9.79)	(72.36)	(72.28)	(9.10)
N	15,312	15,312	15,312	15,312	15,312
R^2	0.082	0.088	0.011	0.011	0.089

Notes: ***p<0.01, **p<0.05, *p<0.1; tag $_{t-1}$ represents one-year lagging; the numbers in ( ) represent the value of t

Model (1) and model (2) suggest that Hypothesis 1 and Hypothesis 2 are supported. Through the results of model (3) and model (4), it's known that one-year lagging corporate charitable donation (Donationt-1) has a positive impact on corporate media attention (FirmAttention), with a coefficient of 13.650 and is significant at the 1% level. Therefore, Hypothesis 3 is supported. one-year lagging corporate rule-breaking behavior ($Csir_{t-1}$) has a negative correlation with corporate media attention (FirmAttention). The coefficient of $Csir_{t-1}$ is -0.002 and is not significant at the 10% level. Therefore, Hypothesis 4 is not supported. Model (5) shows a significant negative correlation between corporate media attention (FirmAttention) and corporate financial performance (ROA), and the FirmAttention coefficient is -0.014 ($p<0.05$). In the model that increases corporate media attention, the correlation coefficient of one-year lagging corporate charitable donation ($Donation_{t-1}$) to corporate financial performance (ROA) increases, while the significance remains unchanged, indicating that corporate media attention does not play a mediating role between one-year lagging corporate charitable donation and corporate financial performance. Therefore, Hypothesis 5 is not supported. Hypothesis 4 is unsupported, thus Hypothesis 6 is not supported, either.

Table 5.17 The moderating effect of CEO media attention

Variables	(1) FirmReption	(2) FirmReption	(3) FirmReption
$Donation_{t-1}$		10.185**	19.942*
		(2.03)	(1.89)
$Csir_{t-1}$		0.000	0.000
		(0.81)	(0.69)
$Donation_{t-1}$ X $CeoAttention_{t-1}$			-19.930*
			(-1.68)
$Csir_{t-1}$ X $CeoAttention_{t-1}$			-0.000
			(-0.53)
$CeoAttention_{t-1}$	0.012***	0.012***	0.013***
	(5.51)	(5.45)	(5.59)
$Size_{t-1}$	0.000**	0.000**	0.000**
	(2.44)	(2.34)	(2.38)
Age_{t-1}	0.002	0.002	0.002
	(0.58)	(0.56)	(0.57)
$Leverage_{t-1}$	-0.008	-0.008	-0.008
	(-0.82)	(-0.82)	(-0.83)
SOE_{t-1}	-0.005	-0.005	-0.005
	(-1.33)	(-1.32)	(-1.31)
$Bindependent_{t-1}$	0.019	0.019	0.019
	(1.01)	(1.02)	(1.02)
Year	YES	YES	YES
Industry	YES	YES	YES
Constant	0.977***	0.977***	0.977***
	(72.40)	(72.33)	(72.24)
N	15,312	15,312	15,312
R^2	0.014	0.014	0.014

Notes: ***p<0.01, **p<0.05, *p<0.1; tag $_{t-1}$ represents one-year lagging; the numbers in ( ) represent the value of t

5.3.4.3 Moderation of CEO media attention

Table 5.17 shows the regression results between corporate charitable donation and corporate rule-breaking behavior, and between CEO media attention and corporate media attention. Hypothesis 7 and Hypothesis 8 of this study are not supported.

The regression results of model (3) shows that the correlation coefficient of the interaction term between one-year lagging corporate charitable donation and CEO media attention ($Donation_{t-1}$ X $CeoAttention_{t-1}$) and corporate media attention is -19.930 and is significant at the 10% level. It shows that CEO media attention weakens the positive effect of corporate charitable donation on corporate media attention. Therefore, Hypothesis 7 is not supported. The coefficient of the interaction term between one-year lagging corporate rule-breaking behavior and CEO media attention ($Csir_{t-1}$ X $CeoRepution_{t-1}$) is -0.000 and is not significant at the level of 10%, indicating that CEO media attention does not play a moderating role between corporate rule-breaking behavior and corporate media attention. Therefore, Hypothesis 8 is not supported.

To further explore the moderating effect of CEO media attention and analyze the influence of CEO media attention ($CeoAttention_{t-1}$) on the relationship between one-year lagging corporate charitable donation and corporate media attention, the research divides CEO media attention ($CeoAttention_{t-1}$) into high CEO attention group and low CEO attention group to conduct regression analysis. The analysis of the interaction is shown in Figure 5.4. CEO media attention ($CeoAttention_{t-1}$) promotes the positive effect of one-year lagging corporate charitable donation on corporate media attention. The higher the CEO media attention and the more one-year corporate charitable donation, the higher the corporate media attention.

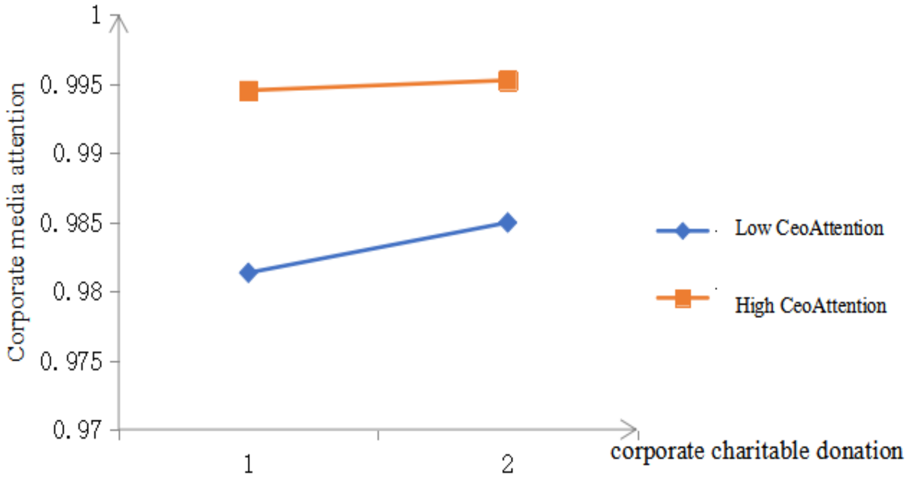

Figure 5.4 Moderation of CEO media attention

5.4 Robustness test

To enhance the reliability of the regression results, the thesis chooses ROE to replace ROA to measure corporate financial performance, selecting the natural logarithm of total assets (SIZE) to replace the number of employees to measure corporate size and performs regression analysis on the empirical models. The data of ROE and total assets come from the Guotaian database, and the regression results are shown in Table 5.18 and Table 5.19. Models (1) and (2) in Table 5.18 are used to test the model 1, models (3), (4), (5) are used to test model 2, and models (1), (2), (3) in Table 5.19 are used to test model 3. The results of the robustness test are basically consistent with the above results.

From models (1) and (2) in Table 5.18, it can be seen that the Donationt-1 coefficient is significant at the 1% level, demonstrating corporate charitable donation has significant positive impact on corporate financial performance. Therefore, Hypothesis 1 is supported. The Csirt-1 coefficient is significant at the 1% level, demonstrating that corporate rule-breaking behavior has significant negative impact on corporate financial performance. Therefore, Hypothesis 2 is supported. From models (3) and (4) in Table 5.18, it can be seen that $Donation_{t-1}$ coefficient is not significant at the 10% level. Therefore, Hypothesis 3 is not supported. The $Csir_{t-1}$ coefficient is significant at the 1% level, demonstrating that corporate rule-breaking behavior has significant negative impact on corporate media reputation. Therefore, Hypothesis 4 is supported. Combined with model (5) in Table 5.18, Hypothesis 5 is not supported because the significance and regression coefficient of corporate rule-breaking behavior on corporate financial performance (ROE) do not change with the increase of the impact of corporate media reputation. Therefore, Hypothesis 6 is not supported.

Table 5.18 Regression on the main effect and mediating effect

Variables	(1) ROE	(2) ROE	(3) FirmReption	(4) FirmReption	(5) ROE
$Donation_{t-1}$		27.696***		-2.728	28.017***
		(5.07)		(-0.32)	(5.23)
$Csir_{t-1}$		-0.002***		-0.002***	-0.002**
		(-2.74)		(-3.61)	(-2.41)
FirmRepution					0.118***
					(7.83)
$SIZE_{t-1}$	0.012***	0.011***	0.000	-0.000	0.011***
	(7.55)	(6.73)	(0.23)	(-0.06)	(6.72)
Age_{t-1}	0.008	0.008	-0.018***	-0.017***	0.010
	(1.24)	(1.27)	(-2.76)	(-2.71)	(1.61)
$Leverage_{t-1}$	-0.158***	-0.152***	0.015	0.018	-0.154***
	(-10.02)	(-9.51)	(1.27)	(1.48)	(-9.66)
SOE_{t-1}	0.003	0.003	-0.015***	-0.015***	0.005
	(0.86)	(0.84)	(-2.96)	(-3.01)	(1.28)
$Bindependent_{t-1}$	-0.042	-0.046	-0.034	-0.036	-0.042
	(-1.19)	(-1.31)	(-0.94)	(-1.01)	(-1.20)
Year	YES	YES	YES	YES	YES
Industry	YES	YES	YES	YES	YES
Constant	-0.186***	-0.161***	0.153***	0.164***	-0.180***
	(-4.84)	(-4.16)	(3.50)	(3.73)	(-4.60)
N	2,651	2,651	2,651	2,651	2,651
R^2	0.132	0.140	0.099	0.102	0.153

Notes: ***p<0.01, **p<0.05, *p<0.1; tag $_{t-1}$ represents one-year lagging; the numbers in ( ) represent the value of t

From the models (1), (2), (3) in Table 5.19, it can be seen that the interaction coefficient between one-year lagging corporate charitable donation and one-year lagging CEO media attention is not significant at the level of 10%. Therefore, Hypothesis 7 is not supported. The interaction coefficient between one-year lagging corporate rule-breaking behavior and one-year lagging CEO media attention is not significant at the level of 10%. Therefore, Hypothesis 8 is not supported, which is basically consistent with the above conclusion.

Table 5.19 The moderating effect of CEO media attention

Variables	(1) FirmRepution	(2) FirmRepution	(3) FirmRepution
$Donation_{t-1}$		-1.539	0.095
		(-0.18)	(0.01)
$Csir_{t-1}$		-0.002***	-0.002***
		(-3.49)	(-2.66)
$Donation_{t-1}$ X $CeoRepution_{t-1}$			-11.257
			(-0.26)
$Csir_{t-1}$X $CeoRepution_{t-1}$			-0.002
			(-0.83)
$CeoRepution_{t-1}$	0.055***	0.054***	0.055***
	(7.11)	(7.09)	(6.86)
$SIZE_{t-1}$	0.000	-0.000	-0.000
	(0.19)	(-0.11)	(-0.12)
Age_{t-1}	-0.018***	-0.017***	-0.017***
	(-2.89)	(-2.84)	(-2.83)
$Leverage_{t-1}$	0.015	0.018	0.018
	(1.34)	(1.56)	(1.55)
SOE_{t-1}	-0.015***	-0.015***	-0.015***
	(-3.14)	(-3.19)	(-3.16)
$Bindependent_{t-1}$	-0.023	-0.026	-0.026
	(-0.68)	(-0.75)	(-0.75)
Year	YES	YES	YES
Industry	YES	YES	YES
Constant	0.141***	0.152***	0.151***
	(3.42)	(3.66)	(3.65)
N	2,651	2,651	2,651
R^2	0.123	0.126	0.126

Notes: ***p<0.01, **p<0.05, *p<0.1; tag $_{t-1}$ represents one-year lagging; the numbers in ( ) represent the value of t

From the models (1), (2), (3) in Table 5.20, it can be seen that the regression coefficient of one-year lagging corporate charitable donation on corporate media attention is not significant at the level of 10%. Therefore, Hypothesis 9 is not supported. From the models (4), (5), (6) in Table 5.20, it can be seen that the regression coefficient of one-year lagging corporate charitable donation on corporate rule-breaking behavior is not significant at the level of 5%. Therefore, Hypothesis 10 is supported.

Table 5.20 Regression on the interaction between one-year lagging corporate charitable donation and corporate rule-breaking behavior

Variable	(1) FirmReputio n	(2) FirmReputio n	(3) FirmReputio n	(4) ROE	(5) ROE	(6) ROE
$Donation_{t-1}$		-2.775	-1.819		27.406***	26.497***
		(-0.33)	(-0.21)		(4.79)	(4.81)
Csir		-0.002***	-0.002***		-0.004***	-0.004***
		(-5.50)	(-5.26)		(-3.82)	(-3.81)
$Donation_{t-1}$ X Csir			-3.693**			3.511**
			(-2.03)			(2.41)
$SIZE_{t-1}$	0.000	-0.000	-0.000	0.012***	0.011***	0.011***
	(0.23)	(-0.09)	(-0.04)	(7.55)	(6.59)	(6.53)
Age_{t-1}	-0.018***	-0.018***	-0.018***	0.008	0.007	0.007
	(-2.76)	(-2.78)	(-2.75)	(1.24)	(1.18)	(1.15)
$Leverage_{t-1}$	0.015	0.019	0.019	-0.158***	-0.147***	-0.147***
	(1.27)	(1.57)	(1.54)	(-10.02)	(-9.38)	(-9.34)
SOE_{t-1}	-0.015***	-0.015***	-0.016***	0.003	0.003	0.003
	(-2.96)	(-3.06)	(-3.08)	(0.86)	(0.66)	(0.69)
$Bindependent_{t-1}$	-0.034	-0.035	-0.035	-0.042	-0.046	-0.045
	(-0.94)	(-0.97)	(-0.99)	(-1.19)	(-1.33)	(-1.31)
Year	YES	YES	YES	YES	YES	YES
Industry	YES	YES	YES	YES	YES	YES
Constant	0.153***	0.166***	0.164***	-0.186***	-0.149***	-0.147***
	(3.50)	(3.77)	(3.71)	(-4.84)	(-3.89)	(-3.83)
N	2,651	2,651	2,651	2,651	2,651	2,651
R^2	0.099	0.105	0.105	0.132	0.155	0.155

Notes: ***p<0.01, **p<0.05, *p<0.1; tag $_{t-1}$ represents one-year lagging; the numbers in ( ) represent the value of t

From the models (1), (2), (3) in Table 5.21, it can be seen that the interaction coefficient between one-year lagging corporate rule-breaking behavior and corporate charitable donation is not significant at the level of 10%. Therefore, Hypothesis 9 is not supported. From the models (4), (5), (6) in Table 5.21, it can be seen that the interaction coefficient between one-year lagging corporate rule-breaking behavior and corporate charitable donation is not significant at the level of 10%. Therefore, Hypothesis 10 is not supported. These research results are basically consistent with the above conclusion.

Table 5.21 Regression on the interaction between one-year lagging corporate rule-breaking behavior and corporate charitable donation

Variable	(1) FirmRepution	(2) FirmRepution	(3) FirmRepution	(4) ROE	(5) ROE	(6) ROE
Donation		2.987	3.824		25.044***	24.761***
		(0.37)	(0.46)		(3.13)	(3.07)
Csir $_{t-1}$		-0.002***	-0.002***		-0.002***	-0.002***
		(-3.60)	(-3.44)		(-2.75)	(-2.71)
Csir $_{t-1}$ X Donation			-4.130			1.394
			(-1.44)			(0.87)
SIZE $_{t-1}$	0.000	-0.000	-0.000	0.012***	0.011***	0.011***
	(0.23)	(-0.13)	(-0.08)	(7.55)	(6.83)	(6.78)
Age $_{t-1}$	-0.018***	-0.017***	-0.017***	0.008	0.008	0.008
	(-2.76)	(-2.71)	(-2.69)	(1.24)	(1.30)	(1.29)
Leverage $_{t-1}$	0.015	0.018	0.018	-0.158***	-0.152***	-0.152***
	(1.27)	(1.53)	(1.50)	(-10.02)	(-9.59)	(-9.57)
SOE $_{t-1}$	-0.015***	-0.015***	-0.015***	0.003	0.003	0.003
	(-2.96)	(-3.01)	(-3.02)	(0.86)	(0.81)	(0.82)
Bindependent $_{t-1}$	-0.034	-0.036	-0.037	-0.042	-0.045	-0.045
	(-0.94)	(-1.02)	(-1.03)	(-1.19)	(-1.28)	(-1.28)
Year	YES	YES	YES	YES	YES	YES
Industry	YES	YES	YES	YES	YES	YES
Constant	0.153***	0.166***	0.164***	-0.186***	-0.165***	-0.164***
	(3.50)	(3.78)	(3.73)	(-4.84)	(-4.26)	(-4.22)
N	2,651	2,651	2,651	2,651	2,651	2,651
R^2	0.099	0.102	0.103	0.132	0.139	0.139

Notes: ***p<0.01, **p<0.05, *p<0.1; tag $_{t-1}$ represents one-year lagging; the numbers in ( ) represent the value of t

5.5 Chapter summary

Based on the data processing and research methods described in the previous chapters, this chapter conducts empirical analysis to test research model. Logarithmic analysis and regression are adopted to test the research hypotheses of the mediation of corporate media attention and the moderation of CEO media attention in the relation between corporate charitable donation, corporate rule-breaking behavior and corporate financial performance. To enrich this thesis and validate the research results, this chapter conducts (1) the regression analysis of variables in different year, namely the regression analysis of two-year lagging corporate charitable donation and corporate rule-breaking behavior on corporate financial performance; (2) the regression analysis of contemporaneous variables; (3) substitute corporate media reputation with corporate media attention and conduct the regression analysis of corporate media attention, CEO media attention and corporate financial performance; (4) robustness test.

[This page is deliberately left blank.]

Chapter 6: Conclusions and Future Research

6.1 Conclusions

Corporate charitable donation and corporate rule-breaking behavior have attracted rising attention from corporate stakeholders. The thesis uses listed companies in 2014-2019 as the sample to explore how corporate charitable donation and corporate rule-breaking behavior affect corporate financial performance through corporate media reputation, introducing CEO media reputation to study whether CEO media reputation plays a moderating role between corporate charitable donation, irresponsibility and corporate media reputation. In addition, the thesis explores the impact of the interaction between philanthropy and corporate rule-breaking behavior on corporate media reputation and financial performance. The specific findings are as follows.

Corporate charitable donation has a significantly positive effect on corporate financial performance, Hypothesis 1 is supported; corporate rule-breaking behavior has a significantly negative effect on corporate financial performance, Hypothesis 2 is supported; corporate media reputation plays a partial mediating role between corporate rule-breaking behavior and corporate financial performance, Hypothesis 3 is supported and Hypothesis 6 is partly supported. Corporate charitable donation is conducive to the improvement of corporate financial performance, while corporate rule-breaking behavior is harmful to the corporate financial performance. Compared with corporate charitable donation, corporate rule-breaking behavior has a more significant impact on corporate media reputation.

CEO media reputation does not have a moderation on the relation between corporate charitable donation and corporate media reputation. CEO media reputation does not have a moderation on the relation between corporate rule-breaking behavior and corporate media reputation. Therefore, Hypothesis 7 and Hypothesis 8 are not supported. CEO media attention has a negative moderation on the relation between two-year lagging corporate charitable donation and corporate media attention, Hypothesis 7 is not supported. CEO media attention alleviates the enhancement effect of corporate charitable donation on corporate media reputation. On the one hand, the society pays limited attention to a company. When the CEO media attention is getting more, the attention to corporate charitable donation will decrease, thereby reducing the impact on corporate media attention. On the other hand, when considering CEO media attention and corporate charitable donation together, stakeholders may question the motives of corporate charitable donation, or expect more on corporate charitable donation, then corporate media attention will be reduced. Corporate charitable donation has a positive effect on CEO media attention, Hypothesis 3 is initially supported. CEO media attention does not play a mediating role between corporate charitable donation and corporate financial performance, that is, Hypothesis 5 is not supported. The negative effect of corporate irresponsibility on corporate media attention is not statistically significant, so Hypothesis 8 is not supported.

Corporate rule-breaking behavior has a significant negative impact on corporate media reputation and corporate financial performance. Therefore, philanthropy that occurs before can alleviate the impact of corporate rule-breaking behavior that occurs later and can still improve corporate financial performance.

The interaction item between one-year lagging corporate rule-breaking behavior and corporate charitable donation has insignificant impact on corporate financial performance, that is, Hypothesis 10 is not supported. The interaction item between two-year lagging corporate rule-breaking behavior and one-year lagging corporate charitable donation has a positive effect on corporate financial performance but does not have a significant effect on corporate media reputation, which supports Hypothesis 9 and does not support Hypothesis 10. This reveals that this year's corporate charitable donation cannot eliminate the negative impact of corporate rule-breaking behavior that occurred in the previous year on corporate financial performance. However, corporate financial performance will be improved in the next year.

The hypothesis test result is summarized as follows.

1. Direct effect

H1: Corporate charitable donation positively affects financial performance. (Supported)

H2: Corporate rule-breaking behavior negatively affects financial performance. (Supported)

H3: Corporate charitable donation positively affects corporate media reputation. (Supported)

H4: Corporate rule-breaking behavior negatively affects corporate media reputation. (Supported)

2. Mediating effect

H5: Corporate media reputation mediates corporate charitable donation and financial performance. (Unsupported)

H6: Corporate media reputation mediates between corporate rule-breaking behavior and financial performance. (Supported)

3. Moderating effect

H7: CEO media reputation moderates between corporate charitable donation and corporate media reputation. When the CEO embraces a higher reputation, the positive relationship between them will be stronger. (Unsupported)

H8: CEO media reputation moderates between corporate rule-breaking behavior and corporate media reputation. When the CEO embraces a higher reputation, the negative relationship between them will be weaker. (Unsupported)

4. Interacting effect

H9: The influence of rule-breaking on corporate media reputation varies because of corporate charitable donation. (Supported)

H10: The influence of rule-breaking on corporate performance varies because of corporate charitable donation. (Unsupported)

6.2 Contributions

This thesis takes listed companies to delve into the impact of corporate charitable donation and corporate rule-breaking behavior on corporate financial performance and the corresponding mechanism. This thesis can contribute the theory in the following three aspects.

(1) This thesis confirms the direct impact of corporate charitable donation and corporate rule-breaking behavior on corporate financial performance

L. H. Qian et al. (2015) find that charitable donation is significantly positive related to financial performance, and the positive relation is even stronger in mature and high-visibility companies. According to Zhong et al. (2019), social irresponsibility behaviors that break the legal and moral rules have significant negative impact on financial performance. At present, rare research has been found to address to the impact of corporate charitable donation and corporate rule-breaking behavior on corporate financial performance at the same time.

Through empirical research, this thesis found that corporate charitable donation significantly positively affects corporate financial performance, and corporate rule-breaking behavior significantly negatively affect corporate financial performance, which has confirmed the direct impact of corporate charitable donation and corporate rule-breaking behavior on corporate financial performance. According to the signaling theory, corporate charitable donation will send a positive signal that the company is responsible and well-operated in all aspects, thereby improving financial performance. On the contrary, corporate rule-breaking behavior will send a negative signal that the company is irresponsible and there are operational risks, which has a negative impact on financial performance.

(2) This thesis opens the path of corporate rule-breaking behavior on corporate financial performance.

The research by W. Y. Liu (2013) shows that the information disclosure rule-breaking behavior by listed companies are negatively related to company performance. J. M. Karpoff et al. (1993) pointed out that corporate rule-breaking behavior will bring reputation penalties, causing companies that break the rules to suffer huge reputation losses. So far, there is scarce research been found that uses corporate media reputation as a mediator to explore the impact of corporate charitable donation and corporate rule-breaking behavior on corporate financial performance.

Through empirical research, this thesis found that corporate media reputation partially mediates corporate rule-breaking behavior and corporate financial performance, i.e., corporate rule-breaking behavior can negatively affect corporate financial performance, and rule-breaking behavior can also negatively affect corporate financial performance via corporate media reputation. According to the stakeholder theory, companies are responsible to not only shareholders but also to stakeholders such as customers, investors, employees, and the public. Corporate rule-breaking behavior can cause stakeholders to think that the company is irresponsible and full of risks, which will result in negative impressions and negative sentimental comments on the company, thereby reducing the corporate media reputation. The reduction of corporate media reputation will affect the purchase and investment by stakeholders, thereby reducing the corporate financial performance.

(3) This thesis confirms the impact of the interaction between corporate charitable donation and corporate rule-breaking behavior on corporate financial performance

Although the existing research has addressed to the influence of corporate charitable donation and corporate rule-breaking behavior on financial performance, scarce research has been found on the the interaction of the two. Currently, scarce research has been found on the influence of the interaction of corporate charitable donation and corporate rule-breaking behavior on corporate financial performance.

Through empirical research, this thesis found that the interaction between one-year lagging corporate charitable donation and corporate rule-breaking behavior positively affects corporate financial performance, and the interaction between two-year lagging corporate charitable donation and one-year lagging corporate rule-breaking behavior positively affects corporate financial performance. The reason might be when a company breaks the rule, the philanthropic practice before or after the rule-breaking behavior will alleviate its negative effect on corporate financial performance. The interaction between the two-year lagging corporate rule-breaking behavior and the one-year lagging corporate charitable donation positively affects corporate financial performance, because corporate charitable donation, as a significant component of

CSR, can be used as a mean of emotional repair in the crisis to reduce the negative impact on corporate financial performance.

6.3 Implications

This thesis studies the impact of corporate charitable donation and corporate rule-breaking behavior on corporate financial performance and its mechanisms, and explores the mediation of corporate media reputation, the mediation of CEO media reputation, and the interacting effect of corporate charitable donations and corporate rule-breaking behavior. In order to help the companies improve the performance, enhance the reputation, and promote the good long-term development, this thesis puts forward four suggestions based on the research conclusions.

(1) The thesis revealed the influence of corporate charitable donation on corporate financial performance, which provided a way for companies to improve financial performance

From the empirical conclusions of the thesis, on the one hand, corporate charitable donation can significantly enhance corporate financial performance. On the other hand, corporate charitable donation with or without CSIR can enhance corporate financial performance. Therefore, governments should improve the strengthening mechanism for corporate charitable donation, establish model enterprises for corporate charitable donation, strengthen the publicity of corporate charitable donation, and give certain preferential treatment to corporate credit certification, corporate loans, and corporate taxation. Meanwhile, governments should be devoted to create a healthy environment of corporate responsibility, which can not only help companies improve corporate financial performance, but also can protect all stakeholders' interests. From the perspective of enterprises, enterprises should increase charitable donations. Meanwhile, the theme of philanthropy and the amount of philanthropy from companies in the same industry should be comprehensively considered to decide the corporate charitable donation so that can not only help beneficiaries but also enhance corporate media attention and corporate financial performance.

(2) The thesis reveals the influence of corporate rule-breaking behaviors on corporate financial performance, which leads companies to improve financial performance by reducing rule-breaking behavior

From the empirical conclusions of the research, corporate rule-breaking behavior negatively affects corporate financial performance and corporate media reputation. Therefore, from the standpoint of the government, the government should strengthen the supervision of corporate rule-breaking behavior and adopt certain punishment mechanisms. From the two aspects of government incentives and supervision, it is beneficial to increase corporate charitable donation and reduce corporate rule-breaking behavior. From the perspective of enterprises, companies can avoid irresponsibility in terms of corporate governance, environment, employees, products, consumers, governments, community companies. On the one hand, corporate media reputation can be decreased which can indirectly reduce the extent of corporate financial performance decrease. On the other hand, the extent of corporate financial performance decrease can be directly reduced.

(3) The thesis revealed the mediating role of corporate media, which leaded companies to improve corporate media reputation in practice

From the empirical results, corporate media reputation plays a mediating role between corporate rule-breaking behavior and corporate financial performance. Therefore, in the practice, companies should strengthen the daily maintenance of corporate media reputation, establish a public relations early-warning mechanism, and set up a monitoring mechanism in daily operations to discover and solve problems in a timely manner. Meanwhile, companies should improve the capability of public relations crisis handling by hiring and training high-level public relations teams. When crises occur, the crises can be resolved in a timely manner, so that the good image of the company can be consolidated, and the impact of public relations crises on corporate financial performance can be reduced.

(4) This thesis discussed the mediating role of CEO media reputation, which pointed a direction for companies to enhance CEO media reputation

Enhancing CEO media reputation and improving corporate media reputation. When selecting and hiring CEOs, the media reputation should be taken into consideration, and priority should be given to CEOs with high media reputation; CEOs can strengthen the relationship with governments and other companies by participating in activities of governments and business associations, and enhance the political background and corporate resources; CEO media reputation can be strengthened by increasing openness and transparency of the CEO market and making full use of media to publicize CEOs; in addition, the high media reputation of CEO may reduce the attention of stakeholder on corporate media reputation, thus avoiding the simultaneous influence from CEO media reputation and corporate charitable donation on corporate media reputation.

(5) This thesis is based on stakeholder theory, which provided a strategy for enterprises from the perspective of stakeholders

Stakeholders should jointly supervise and promote the healthy development of enterprises. Consumers ought to be more sensitive to corporate charitable donation and give positive feedback to companies, which is conducive to creating a virtuous circle of CSR. For corporate rule-breaking behavior, consumers should also dare to disclose and protect their rights and interests, which is conducive to supervising and constructing a healthy environment for corporate development. Investors who pay attention to companies that actively assume social responsibilities will think that these companies have better prospects for development and investment; for companies that actively perform corporate social responsibilities, employees will increase their sense of identity in corporate culture, enhance work performance, thereby improving corporate financial performance.

6.4 Limitations and prospects

Concerning this research, some limitations are still not neglected, which requires further exploration.

(1) Variable measurement

In the selection of indicators for corporate rule-breaking behavior, based on the availability and standardization of data, the thesis selects the total amount of fines in the violation processing data in the Guotaian database, which may not be able to fully measure corporate rule-breaking behavior. In the future, further research can be conducted on various dimensions of corporate rule-breaking behavior.

For the measurement of CEO media reputation indicators, although the use of report volume is the most commonly used method, Chinese CEOs have their unique characteristics in Chinese circumstance. Therefore, in the future, further analysis can be carried out to explore CEO media reputation indicators which suit Chinese context.

For the measurement of corporate media reputation, this thesis adopts media praise coefficient and media attention coefficient. However, corporate media reputation does not only include the media aspect, so future research can further explore the conditions under which charitable donation can enhance corporate media reputation, rather than just increase corporate media attention.

(2) Research object

Although this study is exclusively based on Chinese listed firms, the lessons extracted can be useful for other countries and types of ownership such as privately owned firms. It is predictable that a comparative study with other countries and other types of ownership provides interesting insights on the link between CSR and CSIR and financial performance, in a broader context. Moreover, corporate governance dimensions such as executive compensation are likely to impact this link.

(3) Data collection

In this research, the data is all second-hand data on the platform. Although second-hand data is comprehensive and convenient, it still has the shortcomings such as low relevance, insufficient accuracy, and low timeliness. Therefore, in future research, first-hand data or a combination of first-hand data and second-hand data can be used to improve the authenticity, pertinence, and orderliness of the data.

(4) Data processing

The fourth limitation concerns data processing, with the consideration that ST and *ST companies have greater impact on corporate rule-breaking behavior, ST and *ST companies have not been deleted, which may have certain influence on corporate charitable donation. In the future research, relevant relations will be studied without ST and *ST companies.

6.5 Closing remarks

Presently, CSR is becoming a popular research field, but the existing research that pays attention to the influence of both CSR and CSIR on financial performance is limited. This thesis selects corporate charitable donation in CSR and rule-breaking behavior in CSIR as independent variables to study how the two variables and their interactions influence financial performance. Meanwhile, this thesis selects corporate media reputation as a mediator and CEO Media reputation as a moderator to discuss the influence mechanism and influence boundary. This research has enriched relevant research on CSR and corporate reputation, which also provides guidance and inspiration for companies to effectively improve financial performance and obtain long-term sustainable development.

Bibliography

Adams, M. & Hardwick, P. (1988). An analysis of corporate donations: United Kingdom evidence. *Journal of Management Studies*, *35*(5), 641-654.

Akturan, U. (2018). How does greenwashing affect green branding equity and purchase intention? An empirical research. *Marketing Intelligence & Planning*, *36*(7), 809-824.

Allen, F. (1984). Reputation and product quality. *The Rand Journal of Economics*, *15*(3), 311-327.

Andreoni, J. (1990). *Essays on private giving to public goods* [Doctoral dissertation], University of Michigan.

Antonetti, P. & Maklan, S. (2016). An extended model of moral outrage at corporate social irresponsibility. *Journal of Business Ethics*, *135*(3), 429-444.

Antonetti, P. & Maklan, S. (2018). Identity bias in negative word of mouth following irresponsible corporate behavior: a research model and moderating effects. *Journal of Business Ethics*, *149*(4), 1-19.

Armstrong, J. S. (1977). Social irresponsibility in management. *Journal of Business Research*, *5*(3), 185-213.

Banerjee, A. V. & Duflo, E. (2000). Reputation effects and the limits of contracting: a study of the indian software industry. *The Quarterly Journal of Economics*, *115*(3), 989-1017.

Barnett, M. L. (2012). Why stakeholders ignore firm misconduct: a cognitive view. *Journal of Management*, *40*(3), 676-702.

Barnett, M. L., Jermier, J. M., & Lafferty, B. A. (2006). Corporate reputation: the definitional landscape. *Corporate Reputation Review*, *9*(1), 26-38.

Barney, J. B. (1991). Firm resources and sustained competitive advantage. *Advances in Strategic Management*, *17*(1), 3-10.

Baron, R. M. & Kenny, D. A. (1986). The moderator-mediator variable distinction in social psychological research: conceptual, strategic, and statistical considerations. *Chapman and Hall*, *51*(6), 1173-1182.

Baucus, M. S. & Near, J. P. (1991). Can illegal corporate behavior be predicted? An event history analysis. *Academy of Management Journal*, *34*(1), 9-36.

Beers, D. & Catherine, C. (1991). Greenwash! *Mother Jones*, *1*, 88.

Benitez, J., Ruiz, L., Castillo, A., & Llorens, J. (2020). How corporate social responsibility activities influence employer reputation: the role of social media capability. *Decision Support Systems*, *129*, 1-36.

Benjamin, B. A. & Podolny, J. M. (1999). Status, quality, and social order in the california wine industry. *Administrative Science Quarterly*, *44*(3), 563-589.

Berens, G. & Riel, C. B. M. V. (2004). Corporate associations in the academic literature: three main streams of thought in the reputation measurement literature. *Corporate Reputation Review*, *7*(2), 161-178.

Bergh, D. D., Ketchen, J. D. J., Boyd, B. K., & Bergh, J. (2010). New frontiers of the reputation—performance relationship: insights from multiple theories. *Journal of Management*, *36*(3), 620-632.

Bhattachrya, S. (1979). Imperfect information, dividend policy, and “the bird in the hand” fallacy. *The Bell Journal of Economics*, *10*, 259-270.

Bitektine, A. (2011). Toward a theory of social judgments of organizations: the case of legitimacy, reputation, and status. *Academy of Management Review*, *36*(1), 151-179.

Boivie, S., Graffin, S. D., & Gentry, R. J. (2016). Understanding the direction, magnitude, and joint effects of repution when multiple actors' repution collide. *Academy of Management*

Journal, *59*(1), 188-206.
Bowen, F. & Aragon-Correra, J. A. (2014). Greenwashing in corporate environmentalism research and practice: the importance of what we say and do. *Organization & Environment*, *27*(2), 107-112.
Boyd, B. K., Bergh, D. D., & Ketchen, D. J. (2010). Reconsidering the reputation—performance relationship: a resource-based view. *Journal of Management*, *36*(3), 588-609.
Brammer, S. & Millington, A. (2005). Corporate reputation and philanthropy: an empirical analysis. *Journal of Business Ethics*, *61*(1), 29-44.
Brown, W. O., Helland, E., & Smith, J. K. (2006). Corporate philanthropic practices. *Journal of Corporate Finance*, *12*(5), 855-877.
Buchholtz, A. K., Amason, A. C., & Rutherford, M. A. (1999). Beyond resources the mediating effect of top management discretion and values on corporate philanthropy. *Business & Society*, *38*(2), 167-187.
Cao, H. M. & Meng, Y. (2019). 企业慈善捐赠是伪善吗——基于股价崩盘风险视角的研究 [Is corporate charitable donation hypocrisy——from the perspective of stock price crash risk]. *Accounting Research*, (4), 89-96.
Carroll, A. B. (1979). A three-dimensional conceptual model of corporate performance. *Academy of Management Review*, *4*(4), 497-505.
Castro, G. M. D., José, E. N. L., & Pedro, L. S. (2006). Business and social reputation: exploring the concept and main dimensions of corporate reputation. *Journal of Business Ethics*, *63*(4), 361-370.
Chan, K. C. & Feng, X. (2019). Corporate philanthropy in a politically uncertain environment: does it bring tangible benefits to a firm? Evidence from China. *European Journal of Finance*, *25*(1-3), 256-278.
Chaney, P. K. & Philipich, K. L. (2002). Shredded reputation: the cost of audit failure. *Journal of Accounting Research*, *40*(4), 1221-1245.
Chao, G., Shi, D. L., Shen, C. Q., & Wang, L. (2015). 新媒体时代企业社会责任对声誉修复的影响研究 [The influence of corporate social responsibility performance on reputation restoring process in new media era: A multi-case study based on corporate crisis events]. *Chinese Journal of Management*, *12*(11), 1678-1686.
Chase, K. J. & Brokaw, S. C. (2013). Does corporate philanthropy generate shareholder wealth? Effects of philanthropy on brand equity and financial performance. *Ethics & Critical Thinking Journal*, *30*(4), 777-798.
Chauvin, K. W. & Guthrie, J. P. (1994). Labor market reputation and the value of the firm. *Managerial & Decision Economics*, *15*(6), 543-552.
Che, X. Z. & Su, Y. (2018). 企业违规对社会责任报告及其价值效应的影响 [Research of corporate social responsibility report, violations and firm value]. *Economic Management*, (10), 58-74.
Chen, C. J., Guo, R. S., Hsiao, Y. C., & Chen, K. L. (2018). How business strategy in non-financial firms moderates the curvilinear effects of corporate social responsibility and irresponsibility on corporate financial performance. *Journal of Business Research*, *92*, 154-167.
Chen, J., Dong, W., Tong, J. Y., & Zhang, F. F. (2018). Corporate philanthropy and investment efficiency: empirical evidence from China. *Pacific-Basin Finance Journal*, *51*, 392-409.
Chen, S. M. & Zhou, J. (2018). The impact of corporate philanthrophy on innovation: an empirical study based on China's listed manuafacturing companies. *Management Review*, *30*(11), 57-67.
Chen, T., Qing, P., & Tu, M. (2018). Research on the role of corporate social responsibility in brand crisis. *Contemporary Finance & Economics*, *000*(002), 74-83.
Chen, X. J. (2014). 企业社会责任影响财务绩效的中介调节效应——基于中国 100 强企业

社会责任发展指数的经验证据 [The mediating moderation of CSR on financial performance——Evidence from China's top 100 CSR index]. *Journal of Shanxi University of Finance and Economics*, (3), 9.

Chen, Z., Fuller, D. B., & Lu, Z. (2018). Institutional isomorphism and Chinese private corporate philanthropy: state coercion, corruption, and other institutional effects. *Asian Business & Management*, *17*, 83-111.

Chiu, S. C., Friedman, R., & Lo, H. H. (2015). Vicarious shame and psychological distancing following organizational misbehavior. *Motivation and Emotion*, *39*(5), 795-812.

Chiu, S. C. & Sharfman, M. (2018). Corporate social irresponsibility and executive succession: an empirical examination. *Journal of Business Ethics*, *149*(3), 1-17.

Choi, J. & Wang, H. L. (2007). The promise of a managerial values approach to corporate philanthropy. *Journal of Business Ethics*, *75*(4), 345-359.

Christensen, J. & Murphy, R. (2004). The social irresponsibility of corporate tax avoidance: taking CSR to the bottom line. *Development*, *47*(3), 37-44.

Clement, R. W. (2006). Just how unethical is American business? *Business Horizons*, *49*(4), 313-327.

Craig, L. P. & Charles, C. M. (2011). Leadership centrality and corporate social irresponsibility (CSIR): the potential ameliorating effects of self and shared leadership on CSIR. *Journal of Business Ethics*, *102*(4), 563-579.

Dai, Y. & Kong, D. M. (2016). Getting attention through corporate philanthropy. *Emerging Markets Finance & Trade*, *52*(10), 2364-2378.

Davies, G., Chun, R., Silva, R., & Roper, S. (2001). The personification metaphor as a measurement approach for corporate reputation. *Corporate Reputation Review*, *4*(2), 113-127.

Deephouse, D. L. (2000). Media reputation as a strategic resource: an integration of mass communication and resource-based theories. *Journal of Management*, *26*(6), 1091-1112.

Deephouse, D. L. & Carter, S. M. (2005). An examination of differences between organizational legitimacy and organizational reputation. *Social Science Electronic Publishing*, *42*(2), 329-360.

Demacarty, P. (2010). Financial returns of corporate social responsibility, and the moral freedom and responsibility of business leaders. *Business & Society Review*, *114*(3), 393-433.

Deng, X., Kang, J. K., & Low, B. S. (2013). Corporate social responsibility and stakeholder value maximization: evidence from mergers. *Journal of Financial Economics*, *110*(1), 87-109.

Dennis, R. F. (1996). The law says corporations are persons, but psychology knows better. *Behavioral Sciences & the Law*, *14*(3), 339-359.

Desai, V. M. (2011). Mass media and massive failures: determining organizational efforts to defend field legitimacy following crises. *Academy of Management Journal*, *54*(2), 263-278.

Desai, V. M. (2014). The impact of media information on issue salience following other organizations' failures. *Journal of Management*, *40*(3), 893-918.

Dimov, D., Shepherd, D. A., & Sutcliffe, K. M. (2007). Requisite expertise, firm reputation, and status in venture capital investment allocation decisions. *Journal of Business Venturing*, *22*(4), 481-502.

Dollinger, M. J., Golden, P. A., & Saxton, T. (1997). The effect of reputation on the decision to joint venture. *Strategic Management Journal*, *18*(2), 127-140.

Dolphin, R. R. (2004). Corporate reputation – a value creating strategy. *Corporate Governance: The international journal of business in society*, *4*(3), 77-92.

Du, X., Chang, Y., Quan, Z., Du, Y., & Pei, H. (2016). Corporate environmental responsibility (CER) weakness, media coverage, and corporate philanthropy: Evidence from China. *Asia*

Pacific Journal of Management, *33*(2), 551-581.

Du, X. Q. (2015). How the market values greenwashing? Evidence from China. *Journal of Business Ethics*, *128*(3), 547-574.

Du, X. Q. (2015). Religious belief, corporate philanthropy, and political involvement of entrepreneurs in chinese family firms. *Journal of Business Ethics*, *142*(2), 385-406.

Du, X. Q., Jian, W., Du, Y. J., Feng, W. T., & Zeng, Q. (2013). Religion, the nature of ultimate owner, and corporate philanthropic giving: evidence from china. *Journal of Business Ethics*, *123*(2), 235-256.

Fan, P. H. & Wu, J. Q. (2016). 信号传递理论研究述评和未来展望 [A review and the future prospects of signaling theory]. *Shanghai Management Science*, (3), 69-74.

Fang, J. X. (2009). 捐赠，赢得市场掌声吗? [Can donation win the market?]. *Economics Management*, (07), 180-184.

Ferreira, A. I. & Ribeiro, I. (2017). Are you willing to pay the price? The impact of corporate social (ir)responsibility on consumer behavior towards national and foreign brands. *Journal of Consumer Behaviour*, *16*(1), 63-71.

Fiaschi, D., Giuliani, E., & Nieri, F. (2016). Overcoming the liability of origin by doing no-harm: emerging country firms' social irresponsibility as they go global. *Journal of World Business*, *52*(4), 546-563.

File, K. M. & Prince, R. A. (1998). Cause related marketing and corporate philanthropy in the privately held enterprise. *Journal of Business Ethics*, *17*(14), 1529-1539.

Fischer, E. & Reuber, R. (2007). The good, the bad, and the unfamiliar: the challenges of reputation formation facing new firms. *Entrepreneurship Theory & Practice*, *31*(1), 53-75.

Fombrun, C. J. (1996). *Reputation: realizing value from the corporate image*. Harvard Business School Press.

Fombrun, C. J., Gardberg, N. A., & Barnett, M. L. (2000). Opportunity platforms and safety nets: corporate citizenship and reputational risk. *Business & Society Review*, *105*(1), 85-106.

Fourati, Y. M. & Dammak, M. (2021). Corporate social responsibility and financial performance: international evidence of the mediating role of reputation. *Corporate Social Responsibility and Environmental Management*, *3*, 1-11.

Francis, J., Huang, A. H., Rajgopal, S., & Zang, A. Y. (2008). CEO reputation and earnings quality. *Contemporary Accounting Research*, *25*(1), 109-147.

Frederick, A. F. (1995). The use of stakeholder analysis to understand ethical and moral issues in the primary resource sector. *Journal of Business Ethics*, *14*(8), 653-661.

Freeman, R. E. (2009). Stakeholder theory. *Philosophy of Management*, *8*(3), 97-107.

Friedman, M. (1970). The social responsibility of business is to increase its profits. *New York Times Magazine*, *13*(33), 173-178.

Frooman, J. (1997). Socially irresponsible and illegal behavior and shareholder wealtha meta-analysis of event studies. *Business & Society*, *36*(3), 221-249.

Fryxell, G. E. & Jia, W. (1994). The fortune corporate 'reputation' index: reputation for what? *Journal of Management*, *20*(1), 1-14.

Fu, C. & Ji, L. (2017). 诉讼风险与公司慈善捐赠——基于"声誉保险"视角的解释 [Litigation risk and corporate charitable donations——From the perspective of reputation insurance]. *Nankai Business Review*, *20*(2), 14.

Fu, R. C. Y., Tang, Y., & Chen, G. L. (2019). Chief sustainability officers and corporate social (Ir)responsibility. *Strategic Management Journal*, *41*(4), 656-680.

Gao, F., Faff, R., & Navissi, F. (2012). Corporate philanthropy: insights from the 2008 Wenchuan earthquake in China. *Pacific-Basin Finance Journal*, *20*(3), 363-377.

Gao, Y. & Hafsi, T. (2015). Government intervention, peers' giving and corporate philanthropy: evidence from Chinese Private SMEs. *Journal of Business Ethics*, *132*(2), 1-15.

Gao, Y. & Hafsi, T. (2017). Political dependence, social scrutiny, and corporate philanthropy: evidence from disaster relief. *Business Ethics: A European Review*, *26*(2), 189-203.
Gao, Y., Wu, J., & Hafsi, T. (2017). The inverted U-shaped relationship between corporate philanthropy and spending on research and development: a case of complementarity and competition moderated by firm size and visibility. *Corporate Social Responsibility & Environmental Management*, *24*(6), 465-477.
Gao, Y. & Yang, H. (2016). Do employees support corporate philanthropy? Evidence from Chinese listed companies. *Management and Organization Review*, *12*(4), 747-768.
Ge, J. & Micelotta, E. (2019). When does the family matter? Institutional pressures and corporate philanthropy in China. *Organization Studies*, *40*(6), 833-857.
Godfrey, P. C. (2005). The relationship between corporate philanthropy and shareholder wealth: a risk management perspective. *Academy of Management Review*, *30*(4), 777-798.
Goldberg, M. E. & Hartwick, J. (1990). The effects of advertiser reputation and extremity of advertising claim on advertising effectiveness. *Journal of Consumer Research*, *17*(2), 172-179.
Gong, C. & Bi, K. X. (2018). 低碳情境下制造企业社会责任对创新绩效的影响研究 [The impact of manufacturing corporate's social responsibility on innovation performance in the low-carbon context]. *Prediction*, *37*(1), 43-48.
Grappi, S., Romani, S., & Bagozzi, R. P. (2013). Consumer response to corporate irresponsible behavior: moral emotions and virtues. *Journal of Business Research*, *66*(10), 1814-1821.
Greenwood, M. (2007). Stakeholder engagement: beyond the myth of corporate responsibility. *Journal of Business Ethics*, *74*(4), 315-327.
Griffin, J. J. & Mahon, J. F. (1997). The corporate social performance and corporate financial performance debate: twenty-five years of incomparable research. *Social Science Electronic Publishing*, *36*(1), 5-31.
Grimmer, M. & Bingham, T. (2013). Company environmental performance and consumer purchase intentions. *Journal of Business Research*, *66*(10), 1945-1953.
Groening, C. & Kanuri, V. K. (2013). Investor reaction to positive and negative corporate social events. *Journal of Business Research*, *66*(10), 1852-1860.
Guo, G. H. & Cui, Y. C. (2019). 慈善捐赠与企业技术创新:锦上添花抑或雪上加霜? [Corporate philanthropy and corporate technological innovation: is it icing on the cake or worse?]. *Friends of Accounting*, *000*(004), 72-78.
Hall, A. T., Blass, F. R., Ferris, G. R., & Massengale, R. (2004). Leader reputation and accountability in organizations: implications for dysfunctional leader behavior. *Leadership Quarterly*, *15*(4), 515-536.
Hall, R. (1992). The strategic analysis of intangible resources. *Strategic Management Journal*, *13*(2), 135-144.
Hanh, S. T. P. & Hien, T. T. (2020). CSR disclosure and firm performance: the mediating role of corporate reputation and moderating role of CEO integrity. *Journal of Business Research*, *120*, 127-136.
Harjoto, M. A., Hoepner, A., & Li, Q. (2018). A resource-based view of corporate social irresponsibility: evidence from shareholder value destruction in China. *SSRN Electronic Journal*, *6*, 1-51.
Highhouse, S., Broadfoot, A., Yugo, J. E., & Devendorf, S. A. (2009). Examining corporate reputation judgments with generalizability theory. *Journal of Applied Psychology*, *94*(3), 782-789.
Hoffman, A. J. (1999). Institutional evolution and change: environmentalism and the U.S. chemical industry. *Academy of Management Journal*, *42*(4), 351-371.
Hogarth, K., Hutchinson, M., & Scaife, W. (2016). Corporate philanthropy, reputation risk management and shareholder value: a study of Australian corporate giving. *Journal of*

Business Ethics, *151*, 1-16.
Hstp, A. & Htt, B. (2020). CSR disclosure and firm performance: the mediating role of corporate reputation and moderating role of CEO integrity. *Journal of Business Research*, *120*(2020), 127-136.
Hu, J., Wang, H. J., & Song, X. Z. (2017). 企业慈善捐赠具有战略效应吗？——基于产品市场竞争的视角 [Is corporate charitable giving strategically effective? ——Based on the perspective of product market competition]. *Auditing and Economic Research*, *32*(4), 10.
Huang, P. & Hou, D. D. (2020). 医药行业企业社会责任缺失对财务绩效的影响研究 [Research on the impact of CSI in the pharmaceutical industry on financial performance]. *Journal of Huangshan University*, *22*(2), 53-58.
Huang, Y. L. (2014). *Theoretical and empirical research on bank heterogeneity and bank loan channels in China's banking industry in transition* [Master's thesis], Fudan University.
Hutton, J. G., Goodman, M. B., Alexander, J. B., & Genest, C. M. (2001). Reputation management: the new face of corporate public relations? *Public Relations Review*, *27*, 247-261.
Ireland, P. (2010). Limited liability, shareholder rights and the problem of corporate irresponsibility. *Cambridge Journal of Economics*, *34*(5), 837-856.
Jayachandran, S., Kalaignanam, K., & Eilert, M. (2013). Product and environmental social performance: varying effect on firm performance. *Strategic Management Journal*, *34*(10), 1255-1264.
Jensen, M. C. (2002). Value maximization, stakeholder theory, and the corporate objective function. *European Financial Management*, *12*(2), 235-256.
Jensen, M. C. & Roy, A. (2008). Staging exchange partner choices: when do status and reputation matter? *Academy of Management Journal*, *51*(3), 495-516.
Jia, M. & Zhang, Z. (2014). Donating money to get money: the role of corporate philanthropy in stakeholder reactions to IPOs. *Journal of Management Studies*, *51*(7), 1118–1152.
Jin, C. H. & Lee, J. Y. (2019). The halo effect of CSR activity: types of CSR activity and negative information effects. *Sustainability*, *11*(7), 2067.
Jin, G. Z. & Kato, A. (2006). Price, quality, and reputation: evidence from an online field experiment. *The Rand Journal of Economics*, *37*(4), 983-1005.
Jing, M. & Zhou, Y. (2013). 产品伤害危机中危机反应策略对品牌资产的影响——基于企业社会责任的视角 [The impact of crisis response strategies on brand equity in product injury crisis——Based on the perspective of CSR]. *Industrial Engineering and Management*, *18*(2), 9.
Jonathan, M. K., Lee, D. S., & Martin, G. S. (2008). The cost to firms of cooking the books. *Journal of Financial and Quantitative Analysis*, *43*(3), 581-611.
Jones, G. H., Jones, B. H., & Little, P. (2000). Reputation as reservoir: buffering against loss in times of economic crisis. *Corporate Reputation Review*, *3*(1), 21-29.
Joshi, M. P. (1997). Sustainable competitive advantage and firm performance: The role of intangible resources. *Corporate reputation review*, *1*(1), 81-85.
Kang, C., Germann, F., & Grewal, A. R. (2016). Washing away your sins? Corporate social responsibility, corporate social irresponsibility, and firm performance. *Journal of Marketing*, *80*(2), 59-79.
Kang, Y. & Huang, M. S. (2006). CEO 真正的品牌代言人——中国五行哲学与 CEO 形象规划 [CEO, a true brand spokesperson-China's five elements philosophy and CEO image planning]. *Modern Maketing*, (1), 43-47.
Karmen, A. A. (1981). Auto theft and corporate irresponsibility. *Crime Law and Social Change*, *5*(1), 63-81.
Karpoff, J. M., John, R. L., Jr., & Eric, W. W. (2005). The reputational penalties for

environmental violations: Empirical evidence. *Journal of Law and Economics*, *48*(2), 653-675.

Karpoff, J. M., Lott, & Suffix, J. R. (1993). The reputational penalty firms bear from committing criminal fraud. *The Journal of Law and Economics*, *36*(2), 757-802.

Keig, D. L., Brouthers, L. E., & Marshall, V. B. (2015). Formal and informal corruption environments and multinational enterprise social irresponsibility. *Journal of Management Studies*, *52*(1), 89–116.

Kent, W. & Fang, W. (2012). The harm of symbolic actions and green-washing: corporate actions and communications on environmental performance and their financial implications. *Journal of Business Ethics*, *109*, 227–242.

Klein, J. G. & Dawar, N. (2004). Corporate social responsibility and consumers' attributions and brand evaluations in a product–harm crisis. *International Journal of Research in Marketing*, *21*(3), 203-217.

Klein, J. G., Smith, N. C., & John, A. (2004). Why we boycott: Consumer motivations for boycott participation. *Journal of Marketing*, *68*(3), 92-109.

Kölbel, J. F., Busch, T., & Jancso, L. M. (2017). How media coverage of corporate social irresponsibility increases financial risk. *Strategic Management Journal*, *38*(11), 2266-2284.

Kotchen, M. & Moon, J. J. (2012). Corporate social responsibility for irresponsibility. *The B.E. Journal of Economic Analysis & Policy*, *12*(1), 1-23.

Lai, C. S., Chiu, C. J., Yang, C. F., & Pai, D. C. (2010). The effects of corporate social responsibility on brand performance: the mediating effect of industrial brand equity and corporate reputation. *Journal of Business Ethics*, *95*(3), 457-469.

Lange, D., Lee, P. M., & Dai, Y. (2011). Organizational reputation: a review. *Journal of Management*, *37*(1), 153-184.

Lange, D. & Washburn, N. T. (2012). Understanding attributions of corporate social irresponsibility. *Academy of Management Review*, *37*(2), 300-326.

Laufer, W. S. (2003). Social accountability and corporate greenwashing. *Journal of Business Ethics*, *43*(3), 253-261.

Leonidou, L. C., Kvasova, O., Leonidou, C. N., & Chari, S. (2013). Business unethicality as an impediment to consumer trust: the moderating role of demographic and cultural characteristics. *Journal of Business Ethics*, *112*(3), 397-415.

Lev, B., Petrovits, C., & Radhakrishnan, S. (2010). Is doing good good for you? How corporate charitable contributions enhance revenue growth. *Social Science Electronic Publishing*, *31*, 182-200.

Li, P. G. & Shen, Y. F. (2010). 媒体的公司治理作用: 中国的经验证据 [The role of media in corporate governance: empirical evidence in China]. *Financial Study*, *45*(04), 14-27.

Li, Q., Xiong, J., & Huang, H. (2018). The impact of social irresponsibility on financial performance. *Journal of Management*, *15*(2), 255-261.

Li, S. H. (2012). 管理者背景特征与企业捐赠行为 [Background feature of manager and corporate donation]. *Economic Management*, (1), 138-152.

Li, S. H., Song, X. Z., & Wu, H. Y. (2015). Political connection, ownership structure, and corporate philanthropy in China: A strategic-political perspective. *Journal of Business Ethics*, *129*(2), 399-411.

Li, X. (2014). 企业社会责任和资本结构——基于利益相关者理论的研究 [Corporate social responsibility and capital structure: a study based on stakeholder theory]. *Communication of Finance and Accounting*, (5), 90-93.

Li, X. L., Hou, X. T., & Ge, C. F. (2017). 慈善捐赠是真善还是伪善：基于企业违规的视角 [Are charitable donations really good or hypocritical? From a perspective of enterprise violation]. *Journal of Shanghai University of Finance and Economics*, (4), 66-78.

Lin, H., Zeng, S. X., Wang, L. Y., Zou, H. L., & Ma, H. Y. (2016). How does environmental irresponsibility impair corporate reputation? A multi-method investigation. *Corporate Social Responsibility & Environmental Management*, *23*(6), 413-423.

Lin, Z. L. (2016). 企业社会责任与企业社会责任缺失关系的探索和研究 [The relationship between CSR and lack of CSiR]. *Modern Business*, (36), 150-151.

Lindad, L. & Geralde, F. (1994). CEO stakeholder attitudes and corporate social activityin the fortune 500. *Business & society*, *33*(1), 58-81.

Liu, H. (2019). *The punishment of corporate greenwashing exposure on capital market disciplinary effect* [Master's thesis], Hunan Technology University.

Liu, L. (2005). *Research on the corporate reputation and its driving factors* [Master's thesis], Zhejiang University.

Liu, W. Y. (2013). 上市公司披露违规行为、公司绩效与财务风险的相关性研究——来自中国上市公司的经验证据 [Research on the relationship among violation disclosure, corporate performance and financial risk of listed companies: empirical evidence from Chinese listed companies]. *Friends of Accounting*, (5), 80-82.

Lu, J. (2015). 女性高管抑制上市公司违规了吗?——来自中国资本市场的经验证据 [Do female executives inhibit violations?——Empirical evidence from Chinese capital market]. *Economic Issues in China*, (5), 66-81.

Lu, J., Liang, X., & Wang, H. (2019). Geographical influences on the relationship between corporate philanthropy and corporate financial performance. *Regional Studies*, *54*, 1-18.

Lu, Y. & Li, C. (2016). CEO 对董事会的影响力与上市公司违规犯罪 [The CEO's influence on the board of directors and the violations and crimes of listed companies]. *Journal of Finacal Research*, (1), 176-191.

Lu, Z. W. & Liu, C. L. (2017). 基于动机认知视角的慈善捐赠对企业绩效影响研究——基本企业社会责任的调节效应 [The impact of corporate philanthropy on corporate performance: from the perspective of motivational cognition]. *Modern Economic Discussion*, *9*(472), 39-46.

Luo, J. H., Xiang, Y., & Zhu, R. (2017). Military top executives and corporate philanthropy: evidence from China. *Asia Pacific Journal of Management*, *34*(3), 725-755.

Luo, X. & Bhattacharya, C. B. (2009). The debate over doing good: corporate social performance, strategic marketing levers, and firm-idiosyncratic risk. *Journal of Marketing*, *73*(6), 198-213.

Lyon, T. P. & Kim, E. H. (2007). Greenhouse gas reductions or greenwash? The Doe's 1605b program. *SSRN Electronic Journal*, *6*, 14-53.

Lyon, T. P. & Maxwell, J. W. (2011). Greenwash: corporate environmental disclosure under threat of audit. *Working Papers*, *20*(1), 3–41.

Ma, D. D. (2014). *The exposure effect of enterprise greenwashing behavior——From the perspective of capital market response* [Master's thesis], Xiamen University.

Ma, D. L. & Parish, W. L. (2006). Tocquevillian moments: charitable contributions by Chinese private entrepreneurs. *Social Forces*, *85*(2), 943-964.

MacInnes, L., Li, Y. F., & Yurcik, W. (2005). Reputation and dispute in eBay transactions. *International Journal of Electronic Commerce*, *10*(1), 27-54.

Mahon, J. F. (2002). Corporate reputation:Research agenda using strategy and stakeholder literature. *Business & Society*, *41*(4), 415-445.

Malmi, T. & Brown, D. A. (2008). Management control systems as a package—opportunities, challenges and research directions. *Management Accounting Research*, *19*(4), 287-300.

Marin, S. G. & Soler, B. J. S. (2014). CEO reputation and top management team compensation: The moderating role of corporate governance. *Management Decision*, *52*(3), 540-558.

Marquis, C., Toffel, M. W., & Zhou, Y. (2011). Scrutiny, norms, and selective disclosure: a global study of greenwashing. *Social Science Electronic Publishing*, *27*(2), 483-504.

Martineau, P. (1958). Sharper focus for the corporate image. *Harvard business review*, *36*(6), 49-58.

Martins, L. L. (2005). A model of the effects of reputational rankings on organizational change. *Organization Science*, *16*(6), 701-720.

Mayer, K. J. (2006). Spillovers and governance: an analysis of knowledge and reputational spillovers in information technology. *Academy of Management Journal*, *49*(1), 69-84.

Mcguire, J. B., Dow, S., & Argheyd, K. (2003). CEO incentives and corporate social performance. *Journal of Business Ethics*, *45*(4), 341-359.

Mcguire, J. B., Sundgren, A., & Schneeweis, T. (1988). Corporate social responsibility and firm financial performance. *Academy of Management Journal*, *31*(4), 854-872.

Melissa, S. B. & David, A. B. (1997). Paying the piper: An empirical examination of longer-term financial consequences of illegal corporate behavior. *Academy of Management Journal*, *40*(1), 129-151.

Milbourn, T. T. (2003). CEO reputation and stock-based compensation. *Journal of Financial Economics*, *68*(2), 233-262.

Milgrom, P. & Roberts, J. (1982). Predation, reputation, and entry deterrence. *Journal of Economic Theory*, *27*(2), 280-312.

Mishina, Y., Block, E. S., & Mannor, M. J. (2012). The path dependence of organizational reputation: how social judgment influences assessments of capability and character. *Strategic Management Journal*, *33*(5), 459-477.

Mishina, Y., Dykes, B. J., Block, E. S., & Pollock, T. G. (2010). Why 'good' firms do bad things: The effects of high aspirations, high expectations and prominence on the incidence of corporate illegality. *Academy of Management Journal*, *53*(4), 701-722.

Mombeuil, C., Fotiadis, A. K., & Wang, Z. H. (2019). The pandora's box of corporate social irresponsibility-an empirical study within failed states context. *Journal of Cleaner Production*, *234*, 1306-1321.

Muller, A. & Kräussl, R. (2011). Doing good deeds in times of need: a strategic perspective on corporate disaster donations. *Strategic Management Journal*, *32*(9), 911–929.

Najul, L. & Santi, G. M. (2016). Disclosure of corporate social responsibility and firm performance: evidence from india. *Asia-Pacific Journal of Management Research and Innovation*, *12*(2), 145-154.

Nardella, G., Brammer, S., & Surdu, I. (2020). Shame on who? The effects of corporate irresponsibility and social performance on organizational reputation. *British Journal of Management*, *31*(1), 5-23.

Newell, S. J. & Goldsmith, R. E. (2001). The development of a scale to measure perceived corporate credibility. *Journal of Business Research*, *52*(3), 235-247.

Ni, N., Qian, C., & Crilly, D. (2014). The stakeholder enterprise: caring for the community by attending to employees. *Strategic Organization*, *12*(1), 38-61.

Ni, W. J. & Chi, Q. W. (2015). 高管职务消费对企业业绩影响机理研究——基于产权性质的视角 [Research on the mechanism of the effect of executive perquisite consumption on firm performance: perspective of owenership teype]. *China Industrial Economics*, (04), 122-134.

Niu, J. J. (2017). *Corporate integrity, corporate violation and corporate performance* [Master's thesis], Capital University of Economics and Business.

Oh, W., Chang, Y. K., Lee, G., & Seo, J. (2018). Intragroup transactions, corporate governance, and corporate philanthropy in korean business groups. *Journal of Business Ethics*, *153*(4), 1031-1049.

Olsen, T. D. & Klaw, B. W. (2017). Do investors punish corporations for malfeasance? Disclosure, materiality and market reactions to corporate irresponsibility. *Journal of Corporate Citizenship*, *2017*(65), 56-77.

Pan, Y., Weng, R., Xu, N., & Chan, K. C. (2018). The role of corporate philanthropy in family firm succession: a social outreach perspective. *Journal of Banking & Finance*, *88*, 423-441.
Park, D. J. & Berger, B. K. (2004). The presentation of ceos in the press, 1990-2000: Increasing salience, positive valence, and a focus on competency and personal dimensions of image. *Journal of Public Relations Research*, *16*(1), 93-125.
Pekovic, S. & Vogt, S. (2020). The fit between corporate social responsibility and corporate governance: the impact on a firm's financial performance. *Review of Managerial Science*, *15*(4), 1095-1125.
Petroshius, S. M., Crocker, K. E., West, J. S., Wu, B. T., & Wolfe, T. (1993). Strategies for improving corporate philanthropy toward health care providers. *Journal of Health Care Marketing*, *13*(4), 10-18.
Pfarrer, M. D., Smith, K. G., Bartol, K. M., Khanin, D. M., & Zhang, X. (2008). Coming forward: The effects of social and regulatory forces on the voluntary restatement of earnings subsequent to wrongdoing. *Organization Science*, *19*(3), 386-403.
Pfarrer, M. D., Timothy, G. P., & Violina, P. R. (2010). A tale of two assets: The effects of firm reputation and celebrity on earnings surprises and investors' reactions. *Academy of Management Journal*, *53*(5), 1131-1152.
Pham, H. T. S. & Tran, H. T. (2019). Board and corporate social responsibility disclosure of multinational corporations. *Multinational Business Review*, *27*(1), 77-98.
Philippe, D. & Durand, R. (2011). The impact of norm-conforming behaviors on firm reputation. *Strategic Management Journal*, *32*(9), 969-993.
Platonova, E., Asutay, M., Dixon, R., & Mohammad, S. (2016). The Impact of corporate social responsibility disclosure on financial performance: evidence from the gcc islamic banking sector. *Journal of Business Ethics*, *151*(2), 451-471.
Porter, M. E. & Kramer, M. R. (2002). The competitive advantage of corporate philanthropy. *Harvard Business Review*, *80*(12), 56-68.
Post, J. E. & Griffin, J. J. (1997). Managing reputation, pursuing everyday excellence: corporate reputation and external affairs management. *Corporate Reputation Review*, *1*(2), 165-171.
Price, J. M. & Sun, W. (2017). Doing good and doing bad: the impact of corporate social responsibility and irresponsibility on firm performance. *Journal of Business Research*, *80*, 82-97.
Pritchard, M. & Wilson, T. (2018). Building corporate reputation through consumer responses to green new products. *Journal of Brand Management*, *25*(1), 38-52.
Qi, L. (2017). *The research on institutional distance and CSIR of multinational companies in China* [Master's thesis], Nanjing University.
Qian, C. L., Gao, X. Z., & Tsang, A. (2014). Corporate philanthropy, ownership type, and financial transparency. *Journal of Business Ethics*, *130*(4), 851-867.
Qian, L. H., Liu, C. L., & Ding, H. (2015). 慈善捐赠、广告营销与企业绩效——基于消费者认知视角的分析 [Corporate philanthropy, marketing activities and firm performance — A study from the consumer cognition perspective]. *Soft Science*, *29*(8), 97-100.
Qian, L. H., Liu, C. L., & Ding, H. (2015). 基于财务绩效视角的企业从事慈善活动研究 [Enterprises' philanthropy from the perspective of financial performance]. *Journal of Management*, *12*(4), 602-608.
Rao, H. (1994). The social construction of reputation: Certification contests, legitimation, and the survival of organizations in the american automobile industry: 1895–1912. *Strategic Management Journal*, *15*(1), 29-44.
Rehman, Z. U., Khan, A., & Rahman, A. (2020). Corporate social responsibility's influence on firm risk and firm performance: The mediating role of firm reputation. *Corporate Social Responsibility and Environmental Management*, *27*(6), 1-15.
Reuer, J. & Ragozzino, R. (2012). The choice between joint ventures and acquisitions: Insights

from signaling theory. *Organization Science*, *3*, 1175-1190.
Rhee, M. & Haunschild, P. R. (2003). The liability of good reputation: a study of product recalls in the U.S. Automobile industry. *Academy of Management Annual Meeting Proceedings*, *2003*(1), B1-B6.
Richard, J. (2005). Finding sources of brand value: developing a stakeholder model of brand equity. *Journal of Brand Management*, *13*(1), 10-32.
Rindova, V. P., Williamson, I. O., & Petkova, A. P. (2010). Reputation as an intangible asset: reflections on theory and methods in two empirical studies of business school reputations. *Journal of Management*, *36*(3), 610-619.
Rindova, V. P., Williamson, I. O., Petkova, A. P., & Sever, J. M. (2005). Being good or being known: an empirical examination of the dimensions, antecedents, and consequences of organizational reputation. *Academy of Management Journal*, *48*(6), 1033-1049.
Rob, R. & Fishman, A. (2005). By is bigger better? Customer base expansion through word-of-mouth reputation. *The Journal of Political Economy*, *113*(5), 1146-1162.
Roberts, P. W. & Dowling, G. R. (2002). Corporate reputation and sustained superior financial performance. *Strategic Management Journal*, *23*(12), 1077-1093.
Salaiz, A., Evans, K., Pathak, S., & Vera, D. (2018). The impact of corporate social responsibility and irresponsibility on firm performance: New insights to an old question. *Organizational Dynamics*, *49*(2), 1-8.
Sánchez, J. L. F. & Sotorrío, L. L. (2007). The creation of value through corporate reputation. *Journal of Business Ethics*, *76*(3), 335-346.
Sayedeh, P. S., Saudah, S., Parvaneh, S., Sayyedeh, P. S., & Seyyed, A. S. (2014). How does corporate social responsibility contribute to firm financial performance? The mediating role of competitive advantage, reputation, and customer satisfaction. *Journal of Business Research*, *68*(2), 341-350.
Schnietz, K. E. & Epstein, M. J. (2005). Exploring the financial value of a reputation for corporate social responsibility during a crisis. *Corporate Reputation Review*, *7*(4), 327-345.
Scot, C. (2010). *6 sins of "green wash"*. China WTO Tribune.
Scott, S. V. & Walsham, G. (2005). Reconceptualizing and managing reputation risk in the knowledge economy: Toward reputable action. *Organization Science*, *16*(3), 308-322.
SÉbastien, M., Jukka, R., & Peter, F. S. (2016). On the forgetting of corporate irresponsibility. *Academy of Management Review*, *41*(4), 720-738.
Seifert, B., Morris, S. A., & Bartkus, B. R. (2004). Having, giving, and getting: slack resources, corporate philanthropy, and firm financial performance. *Business & Society*, *43*(2), 135-161.
Shamsie, J. (2003). The context of dominance: an industry-driven framework for exploiting reputation. *Strategic Management Journal*, *24*(3), 199-215.
Shapiro, C. (1983). Premiums for high quality products as returns to reputations. *Quarterly Journal of Economics*, *98*(4), 659-679.
Shea, C. T. & Hawn, O. (2019). Microfoundations of corporate social responsibility and irresponsibility. *The Academy of Management Journal*, *62*(5), 1609-1642.
Shi, J. W., Hu, L. J., & Fu, H. Y. (2009). 企业社会责任、社会资本与组织竞争优势:一个战略互动视角——基于中国转型期经验的实证研究 [Corporate social responsibility, social capital and organizational competitive advantage: a strategic interactive perspective——An empirical study based on the experience of China's transition period]. *China Industrial Economy*, (11), 89-100.
Shi, L., Wei, J. C., & Zhao, D. T. (2010). 上市公司灾难捐赠行为对股票价格的影响 [The impact of listed company's donation on stock prices in the disaster]. *Journal of University of Science and Technology of China*, *40*(6), 571-576.
Shi, W. J., Hu, L. J., & Fu, H. Y. (2009). 企业社会责任、社会资本与组织竞争优势:一个战

略互动视角——基于中国转型期经验的实证研究 [CSR, social capital and organizational competitive advantage: A strategic interaction perspective——An empirical study based on China's transitional experience]. *China Industry Economy*, *11*, 87-98.

Simon, B. & Moritz, M. T. V. (2013). Reputation for quality. *Econometrica*, *81*(6), 2381-2462.

Singh, K. & Misra, M. (2021). Linking corporate social responsibility (CSR) and organizational performance: The moderating effect of corporate reputation. *European Research on Management and Business Economics*, *27*(1), 1-10.

Smith, C. (1994). The new corporate philanthropy. *Harvard business review*, *72*, 105-116.

Spector, A. J. (1961). Basic dimensions of the corporate image. *Journal of marketing*, *25*(6), 47-51.

Standifird, S. S. (2001). Reputation and e-commerce: EBay auctions and the asymmetrical impact of positive and negative ratings. *Journal of Management*, *27*(3), 279-295.

Strachan, J. L., Smith, D. B., & Beedles, W. L. (1983). The price reaction to (alleged) corporate crime. *Financial Review*, *18*(2), 121-132.

Su, J. & He, J. (2010). Does giving lead to getting? Evidence from Chinese private enterprises. *Journal of Business Ethics*, *93*(1), 73-90.

Suazo, M. M., Martínez, P. G., & Sandoval, R. (2009). Creating psychological and legal contracts through human resource practices: a signaling theory perspective. *Human Resource Management Review*, *19*(2), 154-166.

Sullivan, B. N., Haunschild, P., & Page, K. (2007). Organizations non gratae? The impact of unethical corporate acts on interorganizational networks. *Organization Science*, *18*(1), 55-70.

Sun, J. Q. & Wu, X. M. (2019). 企业社会责任漂绿对财务绩效影响研究——以中石油为例 [The impact of CSR greenwashing on financial performance——Taking PetroChina as an example]. *Communication of Finance and Accounting*, (8), 7-13.

Sun, M. & Huang, M. C. (2020). Does CSR reputation mitigate the impact of corporate social irresponsibility? *Asian Business & Management*, *2*, 1-25.

Surroca, J., Tribo, J. A., & Zahra, S. A. (2013). Stakeholder pressure on MNEs and the transfer of socially irresponsible practices to subsidiaries. *Academy of Management Journal*, *56*(2), 549-572.

Sweetin, V. H., Knowles, L. L., Summey, J. H., & Mcqueen, K. S. (2013). Willingness-to-punish the corporate brand for corporate social irresponsibility. *Journal of Business Research*, *66*(10), 1822-1830.

Szócs, l., Schlegelmilch, B. B., Rusch, T., & Shamma, H. M. (2014). Linking cause assessment, corporate philanthropy, and corporate reputation. *Journal of the Academy of Marketing Science*, *44*(3), 376-396.

Tahir, I., Rauf, I., Hameed, P., Liang, X. B., Mahmood, R., Muhammad, I., et al. (2021). The impact of corporate social responsibility on customer loyalty: The mediating role of corporate reputation, customer satisfaction, and trust - ScienceDirect. *Sustainable Production and Consumption*, *25*, 123-135.

Tan, J. & Tang, Y. (2016). Donate money, but whose? An empirical study of ultimate control rights, agency problems, and corporate philanthropy in China. *Journal of Business Ethics*, *134*(4), 593-610.

Teng, F., Xin, Y., & Gu, X. L. (2016). 产品市场竞争与上市公司违规 [Product market competition and listed company violations]. *Accounting Studies*, (9), 9.

Timothy, S. M. & Donn, J. T. (1987). Corporate philanthropy: a strategic approach to the bottom-line. *California Management Review*, *29*(2), 49-61.

Trautwein, S. & Lindenmeier, J. (2019). The effect of affective response to corporate social irresponsibility on consumer resistance behaviour: Validation of a dual-channel model. *Journal of Marketing Management*, *35*, 253-276.

Turban, D. B. & Cable, D. M. (2003). Firm reputation and applicant pool characteristics. *Journal of Organizational Behavior*, *24*(6), 733-751.

Urriolagoitia, L. & Vernis, A. (2012). May the economic downturn affect corporate philanthropy? Exploring the contribution trends in Spanish and U.S. companies. *Nonprofit and Voluntary Sector Quarterly*, *41*(5), 759-785.

Vanessa, M. S., Gao, J. J., & Bansal, P. (2006). Being good while being bad: social responsibility and the international diversification of US firms. *Journal of International Business Studies*, *37*(6), 850-862.

Varadarajan, P. R. & Menon, A. (1988). Cause-related marketing: a coalignment of marketing strategy and corporate philanthropy. *Journal of Marketing*, *52*(3), 58-74.

Vergin, R. C. & Qoronfleh, M. W. (1998). Corporate reputation and the stock market. *Business Horizons*, *41*(1), 19-26.

Waddock, S. A. & Graves, S. B. (1997). The corporate social performance-financial performance link. *Strategic Management Journal*, *18*(4), 303-319.

Wagner, T., Bicen, P., & Hall, Z. R. (2008). The dark side of retailing: Towards a scale of corporate social irresponsibility. *Social Science Electronic Publishing*, *36*(2), 124-142.

Walker, K., Zhang, Z., & Ni, N. N. (2019). The mirror effect: Corporate social responsibility, corporate social irresponsibility and firm performance in coordinated market economies and liberal market economies. *British Journal of Management*, *30*(1), 151-168.

Walker, K., Zhang, Z., & Yu, B. (2016). The angel-halo effect: how increases in corporate social responsibility and irresponsibility relate to firm performance. *European Business Review*, *28*(6), 709-722.

Wallace, N. D., Dan, W., & Cheng, L. T. W. (1994). The effectiveness of OSHA penalties: a stock-market-based test *Industrial Relations: A Journal of Economy and Society*, *33*(3), 283-296.

Walsh, G., Mitchell, V. W., Jackson, P. R., & Beatty, S. E. (2010). Examining the antecedents and consequences of corporate reputation: a customer perspective. *British Journal of Management*, *20*(2), 187-203.

Wang, C. M. (2020). *Research on Csir behavior of Chinese private enterprises and its impact on transation cost* [Master's thesis], School of Electronic Science and Technology of China.

Wang, H. & Qian, C. (2011). Corporate philanthropy and financial performance: the roles of social expectations and political access. *Academy of Management Journal*, *54*(6), 1159-1181.

Wang, H. L. & Qian, C. L. (2011). Corporate philanthropy and corporate financial performance: the roles of stakeholder response and political access. *Academy of Management Journal*, *54*(6), 1159-1181.

Wang, J., Zheng, L., & Jiang, R. C. (2016). 民营企业慈善捐赠与财务绩效的因果关系研究——基于政治关联性与市场化程度调节效应的分析 [Research on the relationship between corporate philanthropy and financial performance of private enterprises: based on the moderating effect of political relevance and marketization]. *Journal of Shanxi University of Finance and Economics*, *38*(11), 103-114.

Wang, S., Du, L. Y., & Yu, Y. K. (2019). 税收对企业自利性动机下慈善捐赠的影响分析 [The impact of taxation on charitable donations from corporate self-interest motives]. *Taxation Research*, (7), 96-100.

Washington, M. & Zajac, E. J. (2005). Status evolution and competition: Theory and evidence. *Academy of Management Journal*, *48*(2), 282-296.

Wei, F. & Geng, X. L. (2018). 高管薪酬差距的阴暗面——基于企业违规行为的研究 [The dark side of executive pay gap: A stufy based on corporate irregularities]. *Economic Management*, (3), 57-73.

Wei, J., Ouyang, Z., & Chen, H. A. (2018). CEO characteristics and corporate philanthropic

giving in an emerging market: the case of China. *Journal of Business Research*, *87*, 1-11.
Wei, T. J. (2014). *The impact of environmental violations on corporate reputation* [Master's thesis], Shanghai Jiaotong University.
Weng, P. S. & Chen, W. Y. (2016). Doing good or choosing well? Corporate reputation, CEO reputation, and corporate financial performance. *The North American Journal of Economics and Finance*, *39*, 223-240.
Werbel, J. D. & Carter, S. M. (2002). The CEO's influence on corporate foundation giving. *Journal of Business Ethics*, *40*(1), 47-60.
Whetten, D. A. & Mackey, A. (2002). A social actor conception of organizational identity and its implications for the study of organizational reputation. *Business & Society Founded at Roosevelt University*, *41*(4), 393-414.
Williams, R. J. & Barrett, J. D. (2000). Corporate philanthropy, criminal activity, and firm reputation: Is there a link? *Journal of Business Ethics*, *26*(4), 341-350.
Wu, C., Hui, G., Xu, J., & Wang, S. (2019). The effects of female executives on corporate philanthropy in China. *Corporate Social Responsibility and Environmental Management*, *26*, 628-643.
Wu, J. (2014). The antecedents of corporate social and environmental irresponsibility. *Corporate Social Responsibility & Environmental Management*, *21*(5), 286–300.
Wu, M. W. & Shen, C. H. (2013). Corporate social responsibility in the banking industry: motives and financial performance. *Journal of Banking & Finance*, *37*(9), 3529-3547.
Xu, L. P. & Xin, Y. (2011). 媒体治理与中小投资者保护 [Media governance and protection of small and medium investors]. *Nankai Management Review*, *14*(06), 36-47.
Yan, X. (2014). *The impact of CEO reputation on company performance: continue or reverse* [Master's thesis], Liaoning University.
Yang, J. J. & Cao, G. H. (2016). CEO 声誉,盈余管理与投资效率 [CEO reputation, earnings management and investment efficiency]. *Soft Science*, *30*(011), 71-75.
Yu, J. H. & Chen, H. S. (2014). 产权性质、CEO 声誉与并购绩效相关性研究 [The relevance of property rights, CEO reputation and M & A performance]. *Friends of Accounting*, (15), 57-60.
Zavyalova, A., Pfarrer, M. D., Reger, R. K., & Shapiro, D. L. (2012). Managing the message: The effects of firm actions and industry spillovers on media coverage following wrongdoing. *Academy of Management Journal*, *55*(5), 1079-1101.
Zeng, W. Q. (2017). *Research on the impact of CEO reputation on earnings management of listed companies* [Doctoral dissertation], Dalian University of Technology.
Zhang, H. & Zhang, L. (2015). 慈善捐赠与财务绩效的关系实证研究:声誉的中介效应 [The relationship between corporate philanthropy and financial performance: the mediating effect of reputation]. *China Market*, (16), 83-84.
Zhang, M., Ma, L. J., Su, J., & Zhang, W. (2013). Do suppliers applaud corporate social performance? *Journal of Business Ethics*, *121*(4), 543-557.
Zhang, M., Xie, L., & Xu, H. (2016). Corporate philanthropy and stock price crash risk: evidence from China. *Journal of Business Ethics*, *139*(3), 595-617.
Zhang, R., Rezaee, Z., & Zhu, J. G. (2009). Corporate philanthropic disaster response and ownership type: evidencefrom chinese firms' response to the Sichuan earthquake. *Journal of Business Ethics*, *91*(1), 51-63.
Zhang, R., Zhu, J. G., Yue, H., & Zhu, C. Y. (2010). Corporate philanthropic giving, advertising intensity, and industry competition level. *Journal of Business Ethics*, *94*(1), 39-52.
Zheng, J. G. & Yu, M. Y. (2015). 外资企业 CSR 活动的决定因素与经营绩效影响的实证研究[Empirical research on the influencing factors of foreign capital company's CSR activities and operation performance]. *Shanghai Management Science*, *37*(2), 4.

Zheng, X. J. & Yang, S. E. (2009). 中国上市公司声誉对公司财务绩效的影响研究[Research on the effect of Chinese listed companies' reputation on their financial performance]. *Management Review*, *21*(7), 96-104.

Zhong, P., Wu, T., & Li, X. Y. (2019). 上市公司企业社会责任报告、社会责任缺失与财务绩效关系的实证研究 [An empirical study on the relationship among corporate social responsibility report, social irresponsibility and financial performance of listed companies]. *Forecasting*, *40*(1), 17-23.

Zhou, K. G., Ying, Q. W., & Chen, X. X. (2014). 媒体关注度,分析师关注度与盈余预测准确度 [Media attention, analyst attention and earnings forecast accuracy]. *Financial Research*, (02), 139-152.

Zhou, P. Q. (2009). 警惕:欧美"漂绿营销"袭来 [Beware: greenwashing strikes]. *Evironmental Protection*, *429*(19), 78-79.

Zhou, S. S., Pan, W. H., & Wang, Z. (2015). 中国情境下企业慈善捐赠与财务绩效关系的实证研究 [An empirical examnation of the link between corporate philanthropy and financial performance under the China context]. *International Journal of Organizational Innovation*, *7*(3), 76-95.

Zhou, Z. F. (2015). 浅论企业财务风险防范控制优化管理 [A discussion on enterprise financial risk prevention, control and optimal management]. *Businessman*, *13*(2), 103-125.

Zhu, D. Q. & Ma, J. Y. (2012). 信用贷款、金融发展与企业家声誉的信号传递 [Credit loans, financial development, and the signaling transmitting effects of entrepreneur reputation]. *Shanghai Journal of Economics*, (05), 36-47.

Zhu, J. F. & Zhao, H. J. (2010). 慈善捐赠会提升企业财务绩效吗——来自沪市 A 股上市公司的实证检验 [Will corporate philanthropy improve corporate financial performance: an empirical test from A-share listed companies on the Shanghai stock exchange]. *Friends of Accounting*, (04), 84-87.

Zhu, Y., Sun, L. Y., & Leung, A. S. M. (2014). Corporate social responsibility, firm reputation, and firm performance: The role of ethical leadership. *Asia Pacific Journal of Management*, *31*(4), 925-947.

[This page is deliberately left blank.]

Annex

Annex Table 1 The measurement of corporate charitable donation

Research Topic	Measurement of corporate charitable donation	Scholar
The relationship between CP, criminal activities and corporate reputation	The ratio of corporate philanthropy amount to the company's income	Williams and Barrett (2000)
Corporate reputation and corporate philanthropy	The philanthropy amount in 2002, with the unit being a thousand pounds	Brammer and Millington (2005)
Corporate philanthropy, reputation risk management and stakeholder value	The ratio of philanthropy to the company's pre-tax profit	Hogarth et al. (2016)
The influence of geographic location on the relationship between corporate philanthropy and corporate financial performance	The amount of philanthropy in a specific year	J. Lu et al. (2019)

Annex Table 2 Measurement of CSIR

Research topic	Data source of CSIR	Measurement of CSIR	Scholars
Environmental irresponsibility	Authoritative website and media	Data comes from the Ministry of Environmental Protection of China and the media	H. Lin et al. (2016)
CSR, CSIR and corporate performance	Sustainalytics database	The CSR and CSIR values are the weighted average of the original scores divided by the sum of their weights.	Walker et al. (2016)
CSR and CSIR	KLD social rating database	All the "doing good" items are added as CSR score, all the "doing bad" items are added up to get the CSIR score.	C. Kang et al. (2016); Kotchen and Moon (2012)
Resource-based CSR	RepRisk	1, 2, and 3 are used to indicate the low, medium, and high	Harjoto et al. (2018)

		severity of CSIR, and the company without any news reports scores 0.	
CSR and environmental irresponsibility	CSR report	A composite indicator consisting of a variety of information provided by the respondent.	J. Wu (2014)
Institutional distance and CSIR of multinational corporations in China	Using Python to find data in Baidu News	The sum of CSIR news volume in the six dimensions of CSIR by various multinational companies each year.	Qi (2017)

Annex Table 3 Measurement of corporate reputation

Research topic	Evaluation institution	Measurement	Scholar
Corporate philanthropy, criminal activities and corporate reputation	Fortune	Score of corporate reputation published by the reputation survey in Fortune.	Williams and Barrett (2000)
Corporate reputation and philanthropy	Management Today	Score of corporate reputation by Britain's most respected company survey in Management Today.	Brammer and Millington (2005)
CSR disclosure affects corporate performance through corporate reputation	Fortune	The ranking of each company's overall reputation in Fortune magazine within a year.	Hanh and Hien (2020)
CSR affects corporate performance and corporate risks through corporate reputation.	Fortune	The ranking; reputation dummy.	Rehman et al. (2020)
The relationship between corporate media reputation and performance	Media	Media praise coefficient formula	Deephouse (2000)

Annex Table 4 Statistical description of main variables

Variables	N	mean	sd	min	p50	max
ROA	5907	0.030	0.090	-0.490	0.040	0.200
Donation	5907	0	0	0	0	0
Csir	5907	0.620	2.800	0	0	14.730
FirmReption	5907	0.110	0.090	0	0.080	0.400
CeoReption	5907	0.180	0.260	0	0.060	1
Size	5907	8473	17328	130	2797	115179
Age	5907	2.820	0.340	1.950	2.830	3.470
Leverage	5907	0.450	0.210	0.060	0.440	0.960
SOE	5907	0.300	0.460	0	0	1
Bindependent	5907	0.380	0.060	0.330	0.360	0.600

Annex Table 5 Statistical description of different corporate size groups

Variable	mean	min	max	mean	min	max	MeanDiff
	Small-sized group			Large-sized group			Small and large corporate size
ROA	0.024	-0.487	0.204	0.040	-0.487	0.204	-0.015***
Donation	0.000	0.000	0.001	0.000	0.000	0.001	-0.000***
Csir	0.828	0.000	14.732	0.405	0.000	14.732	0.423***
FirmReption	0.104	0.001	0.398	0.108	0.001	0.398	-0.005*
CeoReption	0.173	0.000	1.000	0.179	0.000	1.000	-0.006
Age	2.784	1.946	3.466	2.848	1.946	3.466	-0.064***
Leverage	0.388	0.061	0.959	0.514	0.061	0.959	-0.126***
SOE	0.168	0.000	1.000	0.429	0.000	1.000	-0.262***
Bindependent	0.380	0.333	0.600	0.379	0.333	0.600	0.001

Annex Table 6 Statistical description of different corporate age groups

Variable	mean	min	max	mean	min	max	MeanDiff
	Low corporate age			High corporate age			Low and High corporate age
ROA	0.036	-0.487	0.204	0.029	-0.487	0.204	0.008***
Donation	0.000	0.000	0.001	0.000	0.000	0.001	0
Csir	0.602	0.000	14.732	0.628	0.000	14.732	-0.026
FirmReption	0.116	0.001	0.398	0.098	0.001	0.398	0.018***
CeoReption	0.178	0.000	1.000	0.173	0.000	1.000	0.005

Size	8081.222	130.000	115179.000	8770.492	130.000	115179.000	-689.300
Leverage	0.412	0.061	0.959	0.481	0.061	0.959	-0.069***
SOE	0.194	0.000	1.000	0.378	0.000	1.000	-0.183***
Bindependent	0.382	0.333	0.600	0.378	0.333	0.600	0.005***

Annex Table 7 Statistical description of different corporate nature groups

Variable	mean	min	max	mean	min	max	MeanDiff
	Non-state-owned			State-owned			Non-state-owned and state-owned
ROA	0.033	-0.487	0.204	0.030	-0.487	0.204	0.002
Donation	0.000	0.000	0.001	0.000	0.000	0.001	-0.000**
Csir	0.722	0.000	14.732	0.370	0.000	14.732	0.352***
FirmRepution	0.109	0.001	0.398	0.098	0.001	0.398	0.011***
CeoRepution	0.173	0.000	1.000	0.182	0.000	1.000	-0.010
Size	5424.900	130.000	115179.000	15636.303	130.000	115179.000	-1.0e+04***
Age	2.774	1.946	3.466	2.914	1.946	3.466	-0.140***
Leverage	0.420	0.061	0.959	0.526	0.061	0.959	-0.106***
Bindependent	0.379	0.333	0.600	0.381	0.333	0.600	-0.002

Annex Table 8 Hausman Test

Hausman Test	Chi-Sq.Statistic	Chi-Sq.d.f	Prob.
Model 1	57.25	16	0.0000
Model 2	58	15	0.0000
Model 3	60.66	17	0.0000