



A New Understanding of Marketing and “Doing Good”: Marketing’s Power in the TMT and Corporate Social Responsibility

Wenbin Sun¹ · Rahul Govind²

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Abstract

The traditional understanding of corporate social responsibility (CSR) has largely been focused on its downstream performance implications, particularly its associations with firms’ customer market metrics such as customer loyalty, customer satisfaction and customer co-creation as well as financial ones such as firm value, return on assets etc. However, given the close relationship between CSR and marketing that literature has identified, it is surprising that the relationship between a focal upstream construct, i.e. the marketing function’s power within a firm and the firm’s propensity toward CSR has not been addressed in the literature. Examining the link between marketing’s power (MP) in a firm’s top management team (TMT) and firm CSR levels, we investigate how this fundamental TMT configuration, i.e. the distribution of marketing power in the TMT, motivates the firm’s social endeavors. Further, we formulate this relationship in a contingency-based model that incorporates the moderating effects of firm size, firm age, service intensity, and resource slack across 1569 firms operating in 63 industries. In addition to their effect on CSR, this study shows how MP in TMT may influence *corporate social irresponsibility* (CSI) as well as *CSR capability* after controlling for industry type. The inclusion on these additional dimensions of CSR (CSI and CSR capability) complements our analyses of the effect that MP has on CSR. The research contributes to a deeper understanding of CSR’s fundamental corporate determinants as well as identifies the essential role of the marketing function in firms’ CSR strategy. In this process, it yields useful implications for multiple streams of theory as well as for business practices.

Keywords Corporate social responsibility · Marketing power · Top management team

Introduction

Corporate Social Responsibility (CSR) has received considerable attention from researchers and business practitioners alike. A vast body of literature in multiple business fields reveals the contributing role of CSR on various firm performance outcomes, including firm reputation (Siltaoja 2006), brand image (Bolton and Mattila 2015), network quality (Seitanidi and Crane 2009), asset growth (Fisher et al. 2009), and profitability (Tang, Hull and Rothenberg 2012). CSR has therefore been viewed as a potent basis for securing value for firm stakeholders, such as employees (Collier and Esteban

2007), customers (Pérez and Del Bosque 2015), communities (Høvring et al. 2018), business partners (O’Riordan and Fairbrass 2014), and shareholders (Brown and Forster 2013). In contrast to research on the effect of CSR on downstream factors, corporate-level factors—i.e., the antecedents or upstream factors that drive firms’ CSR engagement—belong to an area that largely has not been studied in the literature. The need to address this knowledge gap is imperative, since the traditional CSR-performance schema fails to answer a fundamental question: How are CSR motives initiated within the firm? Thus, retracing CSR’s footprints to the firm’s TMT configuration is necessary to identify the original determinants of the firm’s social engagement, beyond focusing on current understanding of its post-facto performance implications.

It is also important to note that the benefits accruing from CSR to firms have been primarily reflected in its contributions to customer markets be they B2B or B2C focused firms. From this perspective, a firm’s marketing function

✉ Rahul Govind
r.govind@unsw.edu.au

¹ Department of Marketing, Helzberg School of Management, Rockhurst University, Kansas City, MO, USA

² School of Marketing, UNSW Business School, University of New South Wales, Sydney, Australia

plays a pivotal role and thus has the closest connections with CSR in the firm's external environment (Balmer et al. 2011; Kang et al. 2016; Kashmiri et al. 2017; Smith et al. 2010). However, a critical but unanswered question remains: Internal to the firm, is the importance of the marketing function toward CSR engagement actually recognized?

The role of the marketing function in firms' management systems has received recent attention. Scholars have established that the presence of the marketing function in the firm's top management team (TMT, henceforth) leads to preferred firm advantages, such as operational coordination (Sleep and Hulland 2019), financial strengths (Feng et al. 2015), market stability (Feng et al. 2015), and firm value (Boyd et al. 2010; Feng et al. 2015; Germann et al. 2015; Nath and Mahajan 2011; Weinzimmer et al. 2003). This is rooted in marketing's power (hereafter, MP) in connecting consumers, understanding competition, and fostering interdepartmental coordination (Hoffmann et al. 2011; Merlo et al. 2012). Thus, MP represents a firm's capacity to seek forward-looking performance assurances (Feng et al. 2015). It should therefore be highly relevant to firms' social endeavors and act as an assurance function for firm stakeholders. However, to the best of our knowledge, research has not linked the presence or amount of MP in the TMT to firms' social activities. This is despite the fact that the constructs of MP and CSR should have profound connections within firms.

Our research addresses this gap in literature and aims to connect these two important notions: MP in the TMT and CSR. We begin to do so by establishing theoretical linkages between the two on the foundations of the upper echelon's view of marketing and the instrumental stakeholder view of the firm. Next, we empirically test these relationships by using multiple robust methods on data obtained from a set of popularly used data sources. Further, we incorporate the moderating effects of firm size, firm age, service intensity, and resource slack to illustrate the impact of MP on CSR in a contingency-based fashion. These moderators are the most essential characteristics of a firm, in addition to being highly relevant in revealing the differential roles of firm factors on firm outcomes (Anning-Dorson 2017; Kotha et al. 2011; Kuusela et al. 2017; Wang et al. 2015).

The analyses and results from our research generate three key contributions towards both, the theory of the discipline as well as the practices in the field. First, in recent literature, marketing theorists such as Whitler et al. (2020) have explicitly called for more research focus on the role of marketing in the upper echelons of the firm. Similarly, Nath and Mahajan (2017) present the imperative need to investigate the effects and advantages of marketing's presence in the TMT. Our research directly responds to these calls and extends the understanding of the composition of the TMT by incorporating CSR as an outcome. It therefore creates a

unique view of MP in the TMT identifying its far-reaching ramifications towards the firm's social activities. The focus on CSR as an outcome variable is of particular importance because it demonstrates marketing's broad orientation, i.e. not only its own territories comprising of customer markets, but also a wide array of firm stakeholders that determine and/or influence firms' development. Thus, we further extend the understanding of marketing's function as well as its reputation in the firm from the viewpoint of the upper echelon. The link between MP and CSR also brings to focus a feature of marketing that has been largely missing in literature. CSR has been long treated as a firm activity that is relevant to marketing at the operational level. However, this neglects a comprehensive view of marketing function in the firms in that the MP in TMT is the foundational source and calibration base for operational marketing. Our research thus builds on the essential link between marketing and CSR and significantly enriches the understanding of marketing's role in the firm. It is important to state here that CSR actions are mostly thought of as just pure marketing efforts by stakeholders and consumers alike. However, our paper demonstrates that when marketing gains power in a company, there are actual improvements to CSR and reductions in CSI. Our findings therefore contribute towards a positive change in the reputation of marketing among firm stakeholders as well as consumers.

Second, our research yields strong contributions towards firm stakeholder theory. Traditional stakeholder theory holds the notion that the firm's CSR engagement is deployed because of its primary aim of appealing to the stakeholders. However, the mechanism internal to the firm regarding how the aim is initiated is surprisingly vague in existing literature. Our study provides a clear framework in which MP is expected to drive CSR, and it maps out one of the most important paths of the firm's stakeholder orientation in its entirety. Furthermore, marketing's role in the TMT has been largely linked to customers as the main stakeholder. Our research significantly broadens this scope by considering a wide range of stakeholders as targeted by the firm's CSR engagement. More importantly, traditional stakeholder theory often treats all the stakeholders (e.g., shareholders, customers, public, etc.) together in the firm's target stakeholder cluster. However, it is important to remind oneself that shareholders are the fundamental determinant for the firm's TMT, which is the main designing and implementing entity towards stakeholder strategies such as CSR. Thus, the MP-CSR link creates a new knowledge set about the intrinsic reciprocal traits of firm stakeholders that are otherwise clubbed in the same general group. This advancement of theory also precisely echoes the recent work of Vishwanathan et al (2020) that suggests a higher focus on stakeholder reciprocation rather than a one-way, non-reciprocal relationship.

Third, our research contributes significantly to the strategic CSR theory stream. The extant notion of CSR through the strategy lens has put the main emphasis of the consequences of CSR on firm performance outcomes. Much less attention is paid to identifying and studying the essential drivers leading to the firm CSR engagement. Yet, these drivers are more relevant in the scheme of firm strategy because only if these drivers are correctly identified and effects are clearly mapped out, can the desired firm outcomes be ensured. In strategic CSR theory, CSR should be first looked as the output resulting from firm specific management traits prior to producing benefits for the firms’ market and its financial performance. Thus, exploring MP in TMT and CSR endeavors notably complements the current strategic CSR theory by tracing the CSR’s drivers back to the top leadership, which is the source and the most powerful determinant of firm-wide strategic components including CSR.

In addition to the theoretical contributions, our research adds the role of moderators, such as firm size, firm age, service intensity, and resource slack, in the formation of TMTs. Adding these effects will allow managers across firm functions to better understand the situational factors involved when they pursue CSR engagement.

Theories and Hypotheses

Marketing Power in the TMT

Power in a firm’s management denotes the degree of control and influence that a certain party holds over other parties in the firm (McNulty et al. 2011). The TMT is empowered by firm owners to be an agent that exerts power over the firm’s departments and their designated functionalities (Cruz et al. 2010). Upper echelon theory states that the firm’s development paths, patterns, and processes are aligned with the firm TMT members’ individual and collective characteristics, such as experience, background, and interests (Díaz-Fernández et al. 2014; Talke et al. 2010). Similarly, resource dependence theory highlights that the firm’s operations and their effectiveness depend on firm management members’ resource control and abundance (Ndofor et al. 2015; Walters et al. 2010). MP is deeply rooted in these theoretical frameworks in several distinctive ways. First, the marketing function’s role has been defined as the connection between the firm and customers; MP represents the firm’s willingness and managerial configuration to recognize this internal market-connection role (Verhoef and Leeflang 2009). Recognition of MP in this view is based on firms’ leveraging of key positions and focuses on strategies tailored to acquire, absorb, and apply customer intelligence toward effective market solutions. This leads to better outcomes, such as ease of intelligence dissemination, upgradation

of enterprise culture, and increase in firm value (Auh and Merlo 2012; Germann et al. 2015; Hattula et al. 2015; Nath and Bharadwaj 2020). Second, as a strategic area of firms, the marketing function has been found to be a potent facilitator of within-firm coordination (De Luca and Atuahene-Gima 2007). This role is achieved by the specific trait that the marketing function displays—i.e., a position at the front line between the internal management and external customer markets (Sharma et al. 2010). In order to respond to changing market trends and situations in a prompt fashion, the firm is motivated to actively rely on marketing’s functions. This leads to an active effort to embed these functions in the whole firm’s activity planning and deployment. Third, the marketing function is not only connected to customers, but also covers a wide array of environmental entities, such as strategic partners, suppliers, distributors, and the communities to which customers belong (Payne et al. 2005). Thus, the marketing function serves as a vital component for the firm’s overall coping strategies given the environment.

Although the functional department-level power of marketing has been a major focus in the literature, recent marketing scholars have increasingly explored the broader reach of MP into the leadership structure (Brower and Nath 2018; Feng et al. 2015; Nath and Mahajan 2017). This newly relevant stream of MP emphasizes the composition of the TMT that is viewed as a combination of individual leadership members, each with their own power and influence. It is this upper level of power distribution that fundamentally drives the functional or departmental power of each strategic area (Nielsen 2010). In this scheme, marketing is defined as the firm management component that may have a much wider and deeper penetration into other functional units in a top-down power exertion (Boyd et al. 2010; Nath and Mahajan 2011). With the backing of these theoretical arguments, MP in the TMT has been linked to a number of firm outcomes, including market responsiveness (Brower and Nath 2018), sales growth (Germann et al. 2015), ROA (Feng et al. 2015), and stock returns/risks (Germann et al. 2015). These benefits, as the previous research has demonstrated, originate from at least three mechanisms that arise because of strong MP in the TMT. The foremost reason is that the presence of the marketing function in the leadership incentivizes the firm’s move toward a culture of market orientation. This view is strongly advocated by a large body of literature (e.g., Homburg et al. 2015; Kiessling et al. 2016; Verhoef and Leeflang 2009). Kiessling et al. (2016) clearly outlines that market orientation is a “customer-centric” trait and it is embedded in, implemented upon, and refined by all of the firm’s business activities aimed at optimized market outcomes, which in turn allow the firm to reap better financial outcomes. Further, higher MP in a firm drives structural changes favoring the promptness of firm reaction to external threats through the construction of more effective

information and decision channels in the firm's vertical hierarchy (Feng et al. 2015). In addition, increased MP in the TMT allows the firm to better influence key stakeholders, such as shareholders and other supporting parties; highly attentive to a firm's market strengths, they collectively determine the future support a firm is likely to obtain (Auh and Merlo 2012).

MP in the TMT and CSR

CSR is defined as firm activities deployed to have a positive social impact on entities beyond a firm's business targets, such as the communities, specific public groups, and the environment (Crespo and del Bosque 2005; Okoye 2009). Although a focus on CSR is a part a firm's core business, it also achieves desirable support for firms' operations. The literature clearly finds that "doing well by doing good" is a highly effective means of helping the firm gain a competitive edge, including a better brand image, higher price premium (Peloza and Shang 2011), stronger customer loyalty (Lai et al. 2010), and stable revenue flows (Flammer 2015). Despite the positive effects of CSR, the upstream corporate drivers of a firm's involvement in CSR have received much less emphasis. Understanding how management structure (which we refer to as TMT) impacts CSR has received even less emphasis. More specifically, the effect of MP in the TMT on CSR has received no attention, despite having strong foundations in the literature. We establish this relationship using several key management and marketing theories.

First, marketing theorists indicate that market orientation, either as a culture or as the firm's operations blueprint, is induced by escalating the marketing function's role in the firm's management (Hult et al. 2005; Morgan, Vorhies and Mason 2009). In addition, market orientation has been found to be one of the major forces leading to firm CSR engagement (Brik et al. 2011; Kiessling et al., 2016). Therefore, MP in the TMT is likely to increase a firm's CSR focus due to cultural readiness and induced operational ease via enhanced market orientation. This relationship between MP and CSR is built upon the shared recognition of the importance of customer markets and how CSR results in the generation of support for these markets. This nature is clearly illustrated in the study of Ramchander et al. (2012) in that CSR's signals become more salient in scenarios where more intensive customer interactions are needed. In a similar vein, El Ghouli et al. (2019) demonstrate how the freedom of media positively affects CSR activities, and strengthens the role of market-oriented conditions from a unique angle. In this schema, market orientation plays the dual role of driver and facilitator, pushing the firm to consider CSR in response to core business markets and the network of stakeholder groups, including business targets, the public, and

communities (Smith et al. 2010; Vaaland et al. 2008). For instance, Morsing (2006) states that the firm's communication coordination capability, one of the salient characteristics of MO, allows it to better identify and satisfy external stakeholders.

Second, upper echelon theory posits that the firm's management style is a result of top-level members' individual and joint traits. These traits are closely associated with these members' positions, experiences, and interests (Park et al. 2012; Wang et al. 2019). Marketing managers have been found to be more attentive to communities' reactions through the media, consumers' word-of-mouth, and channel chain feedback. Thus, they are motivated to appeal to these diverse needs via the deployment of CSR (Hur et al. 2014). More importantly, resource dependence theory indicates that firms' strategic paths are determined by the resource control of the TMT (Walters et al. 2010). In addition, these resources are specialized according to members' backgrounds (Walters et al. 2010). Following this, higher MP can lead the firm to place more effort toward acquiring and utilizing marketing-side resources. This can lead to higher CSR because marketing resources such as advertising, human resources, customer relationship, and channel relationships have been found to support CSR motives (Khan et al. 2019; Rakotomavo 2012).

Third, scholars propose that a firm is usually interested in establishing its legitimate position in the societal system (Mena and Palazzo 2012; Russo and Perrini 2010). This legitimacy is reinforced by a firm's reputation in its customer markets and communities and is realized through a firm's management's commitment to these two key areas. The role of the marketing function and its goal are highly aligned to these areas. Thus, escalating its power in the firm's TMT is likely to increase the firm to pursue better a reputation via CSR engagement, which in turn supports the customer market reputation.

Fourth, from an instrumental stakeholder view, the marketing function has been found to actively leverage CSR to appeal to firm stakeholders in order to create a supportive environment for introducing new products (Luo and Du 2015), alleviate negative word-of-mouth (Vo et al. 2019), and enhance customer relationship (Plewa et al. 2015). Therefore, higher MP in the firm will further reinforce this tendency and encourage the entire firm to commit more to social efforts.

Fifth, higher levels of MP in the TMT should equip the firm with a better coordination system, since the marketing function controls market intelligence, key customer relationships, and competitive information. It therefore unites the firm's units in disseminating information and formulating strategies (Wang et al. 2015). CSR, as such, involves firm activities that require the coordination created by the marketing function (Maignan and Ferrell 2004). Therefore,

higher MP constructs an important structure that seamlessly matches CSR enhancement and thus should increase a firm’s propensity to engage in CSR. We therefore hypothesize:

H1 Higher MP in the TMT will be positively related to higher firm CSR engagement.

Moderating Effect of Firm Size

Firms naturally differ in size, a factor that numerous business research studies have adopted as an important moderator. Firm size represents the scope of endowments that, under the control of a firm, behave differentially when they are small as compared to when they are large. Large firms are usually characterized as having a more complex TMT configuration and extended vertical levels as well as horizontal strategic units (Ledwith et al. 2006). Furthermore, firm size also pertains to the boundary by which the firm is connected to the outside environment (Russo and Perrini 2010). These characteristics should lead to the hypothesis that MP in large firms should have a stronger relationship with CSR. Germann et al. (2015) note that the increased MP enables the firm to better coordinate activities due to the strength of its information sharing, spreading, and usage. Baumann-Pauly et al. (2013) suggest that large firms are vulnerable to coordination issues due to their extensive management hierarchies. Thus, the strength of MP could compensate for these vulnerabilities of large firms and play an important role in promoting market-friendly firm strategies, including CSR. In addition, large firms’ wider connections to external stakeholders generate stronger support for marketing executives to justify the needs for CSR projects, which has been confirmed to be an effective instrument in helping the firm create the supporting network composed of a large array of external parties (Smith et al. 2010). Another rationale resides in the large firms’ extended customer base. An increase in MP may further promote CSR because its contribution has been found to be more salient for the wider coverage of market scopes, a clear trait possessed by large firms (Markman and Waldron 2014). Therefore, we hypothesize:

H2 The relationship between MP and CSR will be stronger for large firms than for smaller firms.

Moderating Effect of Firm Age

Firm age has been investigated as an essential moderator when examining firm factors and their effects on firm outcomes (Ling et al. 2007; Petruzzelli et al. 2018). Older firms may significantly differ from younger firms in their management and strategic decision-making (Kieschnick and Moussawi 2018). The literature provides strong evidence to support the theory that MP’s impact on firm CSR may

be more significant for older firms. When firms age, they accumulate knowledge regarding the market and social constituents (Autio et al. 2000). This knowledge translates to advantages that firms use to appeal to different stakeholders. The marketing function plays a central role in this knowledge accumulation process. Higher MP in firm management allows the firm to more strategically implement this knowledge into stakeholder satisfaction, which results in a higher propensity to use stakeholder engagement instruments, such as CSR (Brower and Mahajan 2013). In addition, older firms are more likely to suffer from strategic rigidity due to their prolonged existence in the same business field (de Figueiredo et al. 2015). Therefore, marketing executives display a higher motivation to pursue additional means to enhance the differentiation of the brands and offerings. As CSR has been confirmed to be one of the most effective strategies to achieve this goal (Boehe and Cruz 2010), higher MP is more likely drive higher CSR in this scenario. More importantly, older firms’ longer history in the market makes them more visible to social stakeholders (Wang et al. 2008). Increased visibility leads firms to consider more CSR in their marketing efforts to improve brand image gains (Bhattacharya et al. 2009). Conversely, younger firms’ marketing efforts are largely directed toward building their core business in the market (Anderson and Eshima 2013). Thus, increasing MP may be less strongly related to increased CSR. Given these arguments, we hypothesize:

H3 The relationship between MP and CSR will be stronger for older firms than for younger firms.

The Moderating Effect of Service Intensity

Service intensity represents the portion of intangible service in the firm’s whole product family (Fang et al. 2008). Service offerings are substantially different from physically manufactured products due to their special traits, such as intangibility, inseparability, and perishability (Vargo and Lusch 2004). The two types of firms, i.e. service and manufacturing, have been found to be significantly different in their new-product development (Ettlie and Rosenthal 2011), marketing strategy development (Gebauer 2008), and corporate management orientations (Rigtering et al. 2014). Product failures have more severe consequences than service failures, for several reasons. First, manufactured products are more visible and tangible than services; thus, the failures of manufactured products are more measurable (Hunt et al. 2008). This tangibility contributes to the tendency of negative news to spread. Second, manufactured product issues may be more traceable to the origin of the problem, leading to higher ease of decoding the accountability of the failure (Bernardo et al. 2009). Third, service firms are in a better position to use their service systems to remedy social crises

(Smith 2005; Harris et al. 2006). Therefore, we postulate that for manufacturing firms, the marketing function will be more likely to focus on invoking and involving CSR in order to proactively create a reputation protection system. This view is supported by previous studies advocating that manufacturing firms tend to build complementary assets to secure their market position (e.g., Sánchez and Benito-Hernández 2015; Williamson et al. 2006). This is because, in many cases, manufacturing firms do not have direct control over the channel system (Geylani et al. 2007). This trait introduces further vulnerability due to the time delay and information asymmetry when product failure occurs (Kunter 2012). Service firms, on the other hand, are less affected by this vulnerability because they are directly connected to customers and can remedy the possible reputation issues in a prompt manner (Ordanini and Pasini 2008). Therefore, the marketing function in manufacturing (low-service-intensity) firms will be more likely to engage in CSR activities than service firms will be. We therefore posit:

H4 The relationship between MP and CSR will be stronger for low-service-intensity firms than high-service-intensity firms.

The Moderating Effect of Resource Slack

Resource slack represents the abundance level of a firm's controllable assets, endowments, and relations. It signifies the freedom and flexibility by which the firm may experiment with strategies and implement corporate actions (Combe et al. 2012). Actions of firms with high vs. low resource slack display interesting discrepancies. As an example, firms with abundant resources are apt to invest more on innovations through in-house R&D and/or external collaboration realized by resource acquisition and integration (Voss et al. 2008). Low-resource-slack firms, on the other hand, are more likely to exploit the existing development path and pursue in-depth penetrations in the current market (Rothaermel and Deeds 2004; Voss et al. 2008). These variations in actions yield a set of competing hypotheses regarding the moderating role of resource slack. On one hand, sufficient resource support allows the marketing function to pursue more CSR, since it is highly resource-dependent (Bansal et al. 2015). Further, a firm's resource slack alleviates resource competition among functional departments and gives the firm more favorable conditions for launching CSR activities. These mechanisms lead to the hypothesis that the MP-CSR relationship will be stronger when resource slack is high. On the other hand, another stream of research supports the notion that CSR plays more a powerful role in adverse conditions (Minor and Morgan 2011). Firms with insufficient resources may face particularly adverse conditions, such as losing customers due to

the undermined quality assurance or lower customer service support (Feillet et al. 2004). CSR may turn out to be a preferred method for addressing negative image, as it has been found to significantly influence consumers' quality perceptions in a positive direction (Banerjee and Wathieu 2017). In this scenario, an increase in MP may further push the firm to engage in CSR due to its expected benefits. In addition, CSR has been found to help the firm acquire new resources, as it provides increased assurance to multiple firm stakeholders, such as shareholders, debt holders, and partners (Pelozo and Shang 2011). Thus, marketing executives will be more likely to resort to CSR to mitigate resource disadvantages. Given the mixed evidence, we provide a pair of alternative hypotheses that we test using real-world data:

H5 The relationship between MP and CSR will be stronger for high-resource-slack firms than low-resource-slack firms.

H5 (alternative) The relationship between MP and CSR will be stronger for low-resource-slack firms than high-resource-slack firms.

Data Source

To empirically test the hypotheses, we employ an archival data approach and collect data items for the years 2010 to 2015 using multiple sources, including ExecuComp Database, Compustat, Center for Research in Security Prices (CRSP), Standard & Poor Business Segment Database, and firm annual reports. This archival data approach is widely used in business research fields, including finance (Becchetti et al. 2015), marketing (Feng et al. 2015), and ethics (Harjoto and Jo 2011; Madsen and Bingham 2014). There are several important advantages of taking this approach for the current study. First, these databases share the salient characteristic of objectivity, which is desirable for research investigating power-related topics. Second, these databases comprehensively cover all industries, thus allowing researchers to analyze all types of firms to ensure external validity. We also believe that firm and industry heterogeneity will be an important factor in the analyses (Isaksson and Woodside 2016) and hence estimate separate effects for those. Third, because these data sources cover several years, they accommodate real business situations that are time-embedded and span business cycles. This advantage is particularly important for research focusing on firm management and CSR activities. Fourth, the panel-data structure allows us to use robust methods to achieve a high level of precision and lower statistical bias in analysis (Hsiao 2007). Fifth, the multiple-source method effectively minimizes the common method bias that is often seen in perceptual survey-based data collection. The final merged dataset contains 6833 observations from 1569 firms. These firms cover the

entire spectrum of industry sectors, including manufacturing, retail trade, wholesale trade, business services, and professional services. The distribution of the sample across the industries is presented in Appendix 1. The descriptive and correlations are presented in Table 1. As can be seen, the high correlations that appear in table are primarily related to firm size. Although such instances are common in existing literature, (e.g. between firm size and age—[.51—Petruzzelli et al. 2018](#)), to evaluate the performance of the model in the absence of firm size we also ran the primary model presented in the paper without firm size and found consistent results.

Measure of CSR

In business ethics, marketing, and management literature, the Kinder et al. (KLD) repository has been a popular data source for CSR-related studies (e.g., [Flammer 2015](#); [Madsen and Bingham 2014](#)). Firms are rated based on their engagement of several aspects of social activities, such as corporate governance, product quality, community engagement, diversity, employee relations, and the environment. These rating are further categorized into strengths and concerns. Following previous studies, we collect all the strengths and add them up to a composite score of CSR engagement ([Flammer 2015](#); [Rahman and Post 2012](#); [Walls et al. 2012](#)). However, KLD may slightly vary in its number of individual rating items. Therefore, we scale the raw CSR scores against the range of items in each year and obtain a measure that can be safely merged across years. To ensure robustness, we also scale it against the mean of the rating items in the sensitivity checks and find highly consistent results.¹ It is important to acknowledge that KLD only lend support to some empirical studies ([Kang 2013](#); [Kang et al. 2016](#)), the contradictory findings are primarily caused by the intertwining benefits and costs of CSR and not to the KLD measure itself. In addition, given that our focal concern is the industry experts/informants’ opinions in the context of the firms CSR and MP, this makes the data ideal for our analyses.

Measure of MP

[Feng et al. \(2015\)](#) provide a sound measure approach of MP by using the data collected from ExecuComp Database; we follow their method to operationalize MP. The ExecuComp database contains TMT profile information regarding positions, backgrounds, experience, and compensations of executives. MP in this approach is measured by five aspects: (1) the size of the marketing executive sub-team in the TMT,

as measured by the number of marketing executives; (2) the ratio between marketing executives’ compensations and the entire TMT’s compensations; (3) the highest rank of marketing executives in the TMT; (4) the cumulative ranks of all marketing executives in the TMT; and (5) the scope of job responsibilities, as reflected by the number of job titles held by the marketing executives. Then the five individual scores are input into a principal component analysis to generate the final measure of MP. The rationale of viewing power in TMT as a composite construct can be seen in studies in different fields (e.g., [Dunn 2004](#); [Garms and Engelen 2019](#); [Krause et al. 2015](#)). This measure approach comprehensively contains the key aspects of MP and also displays high objectivity by using the ExecuComp Database.

Measures of Moderators

We measure firm size using a log transformation of total assets, as is the norm in the literature ([Dang et al. 2018](#)). We use the number of years (log transformed as in previous literature, e.g. [Singla and George 2013](#)) that a firm is publicly listed as the measure of firm age ([Anderson and Eshima 2013](#)). These data items are collected from Compustat. For service intensity, we obtain data from Standard & Poor’s Business Segment Database, which contains the firm sales in each industry sector. We first reach the aggregate sales of each firm in the service sectors, including retail, wholesale, professional services, financial services, transportation, and communications services. These sales are then scaled by the total firm sales, as in previous research (e.g., [Ehie and Olibe 2010](#); [Fang et al. 2008](#); [Li 2005](#)). For resource slack, we follow [Meyer and Leitner \(2018\)](#) and use retained earnings.

Measures of Control Variables

Because CSR engagement may also be affected by several other factors, we include a group of carefully selected control variables. Given that the competition will affect a firm’s motivation to launch CSR activities, we control for this effect by including competition intensity measured as 1 minus the Herfindahl–Hirschman Index, i.e. $1 - HHI$ ([Lemma et al. 2018](#)). Because a firm’s growth may affect its tendency for CSR, we control for this effect by using revenue growth $((sales_t - sales_{t-1})/sales_{t-1})$. We control for the firm’s spending on advertising and R&D (scaled by firm sales) because these two variables are related to CSR ([Hsu 2012](#); [Padgett and Galan 2010](#)). Because CSR may be influenced by market scope, we control for this effect by including firm diversification, as measured by the entropy score of a firm’s market segments (scaled by industry means to account for the systematic differences across industries). In addition to these control variables, we account for industry and year effects through dummy variables. This addresses

¹ The correlations between the range-adjusted and the mean-adjusted CSR is 96.2%

Table 1 Descriptive statistics

Variables	Mean	SD	V1	V2	V3	V4	V5	V6	V7	V8	V9	V10	V11	V12
CSR	0.076	0.146												
CSI	0.082	0.116	0.386***											
CSR	0.609	0.256	0.054***	-0.017										
capability														
Mktg power	0.001	1.041	0.039***	-0.026**	0.069***									
Firm size	8.698	1.629	0.381***	0.177***	-0.187***	0.029**								
Firm age	3.217	0.660	0.206***	0.075***	-0.119***	-0.049***	0.305***							
Service intensity	0.502	0.416	-0.021*	-0.044***	-0.219***	0.069***	0.089***	-0.121***						
Resource slack	0.241	0.358	0.113***	0.028**	-0.044**	0.007	0.236***	0.156***	-0.066***					
Competition	0.040	0.005	0.028**	-0.008	-0.026	0.013	-0.150***	-0.052***	0.195***	-0.064***				
Advertising	0.766	0.183	0.045***	-0.013	0.119***	0.057***	0.055***	-0.101***	0.064***	-0.010	-0.015			
Revenue growth	0.167	0.340	0.001	-0.039***	-0.213***	0.008	0.027**	-0.094***	0.047***	0.064***	0.045***	0.025**		
Diversification	0.095	0.260	0.114***	0.074***	-0.024	-0.068***	0.258***	0.297***	-0.202***	0.119***	-0.140***	-0.057***	-0.067***	
R&D	0.039	0.170	0.002	-0.016	-0.012	-0.003	-0.137***	-0.044***	-0.112***	-0.141***	0.055***	-0.020*	-0.041***	-0.083***

* $p < .10$, ** $p < .05$, *** $p < .01$

the concern of additional heterogeneity arising because of industries which has been found to be an important factor in CSR (Isaksson and Woodside 2016) as well as the variance induced by time-related business cycles.

Estimation Methods

The full model is specified as

$$\begin{aligned} CSR_{it+1} = & \beta_0 + \beta_1 \times MP_{it} + \beta_2 \times MP_{it} \times FSize_{it} + \beta_3 \\ & \times MP_{it} \times FAge_{it} + \beta_4 \times MP_{it} \times SerIn_{it} \\ & + \beta_5 \times MP_{it} \times Slack_{it} + \beta_6 \times FSize_{it} + \beta_7 \\ & \times FAge_{it} + \beta_8 \times SerIn_{it} + \beta_9 \times Slack_{it} + \beta_{10} \\ & \times Comp_{jt} + \beta_{11} \times Adver_{it} + \beta_{12} \times RGrow_{it} \\ & + \beta_{13} \times Diver_{it} + \beta_{14} \times RD_{it} + Time\ Dummies_t \\ & + Industry\ Dummies_j + \varepsilon_{it}, \end{aligned}$$

where CSR = corporate social responsibility, MP = marketing power in the TMT, FSize = firm size, FAge = firm age, SerIn = service intensity, Slack = resource slack, Comp = competition intensity, Adver = advertising expenditure, RGrow = revenue growth, Diver = marketing power in the TMT, RD = research & development expenditure, t = time periods (year), i = individual firms, j = industries.

This model specification has several advantages. First, we use CSR_{t+1} rather than CSR_t as the dependent variable because it effectively addresses the reverse causality concerns and minimizes endogeneity concern induced by the simultaneity. This lagged-outcome formulation also pinpoints the theoretical reasoning, in that the structural formation of the TMT may need time to produce the expected functionality (Shropshire and Hillman 2007). Second, the inclusion of a full list of control variables (including the moderators) will effectively reduce the endogeneity concern due to the omitted variables in the model specification. As an example, firm size and age account for the inherent nature of firms; service intensity and diversification account for structural business characteristics; market share, revenue growth, and asset growth deal with the firm's financial strengths; advertising and R&D effectively account for the firm's marketing function, related to strategic support; the environmental factors and industry dummies adequately account for external conditions; and the year dummies account for the time-related variations.

The panel structure of the dataset incorporates additional benefits to enhance model estimation precision. However, this structure may create statistical problems such as autocorrelation because a firm's data will span multiple years. Therefore, we carefully selected three robust estimation methods that have been widely used and validated in numerous studies. Their details as well as the specifications are provided in Appendix 2.

Results and Discussion

We build the models by incrementally adding the variable sets (Table 2). We first enter the control variables, then add main effects, and finally add the full model. We also conduct partial F tests, which show that the addition of the main effects as well as the moderating effects are significant ($F = 87.165, p < .01$; $F = 3.225, p < .05$).² To ensure that the model is free of the concern of multicollinearity, we calculate the variance inflation factors (VIFs) and find no VIF is greater than 5 (Rogerson 2001),³ which means this condition is satisfactorily met. In the control variables, revenue growth and resource slack are found to significantly drive up CSR. This is in line with previous work illustrating that a firm's financial strength increases its propensity toward social responsibility activities (Aguilera-Caracuel et al. 2015). Along with this, both advertising and R&D expenditure are found to augment CSR. This result conforms to the long-held evidence in the literature that a firm's market-based investment will be likely to spur CSR endeavors due to the recognition of their close mutual support (Padgett and Galan 2010; Waller and Lanis 2009). Firm size is also positively related to CSR, in line with Brammer and Millington's (2006) study. Firm age displays a similar positive effect, which confirms the theory that older firms are more likely to consider CSR to either reinforce or update their brand image (Withisuphakorn and Jiraporn 2016).

Our central hypothesis pertains to the positive effect of MP on CSR. This hypothesis is strongly supported ($b = .053, p < .01$). Note that MP is a firm's overhead leadership team characteristic and CSR is a firm's functional strategic element. The relationship shown here signifies a clear top-down driving force executed by the marketing function in the TMT. Our firm sample is collected from across the whole spectrum of industries. Thus, this significant relationship demonstrates the prevalence of the marketing function's force in driving CSR activities across industries. To further explore this relationship, we test the quadric term of MP and do not find it to be significant. CSR is a firm's strategy form and not an indicator of performance. Thus, the linear increase of CSR resulting from increased MP reveals the continuous power of the marketing function on the firm's specific strategy inclination.

H2 posits that firm size will positively moderate the MP-CSR relationship. However, the empirical results do not support the hypothesis. The non-significance of this moderator provides several interesting insights. We can

² We also conducted 1000 train/test redraws from the sample to test the predictive ability of the model. The average Mean Absolute Deviation (MAE) was ≈ 0.08 with a standard deviation of less than 0.002.

³ The highest VIF we encounter is 1.48.

Table 2 empirical analysis results (marketing power and CSR)

	Controls		Main effects & controls		Full model (Robust-Cluster)		Full model (Driscoll-Kraay)		Full model (Newey-West)	
	Coef.(t)	Sig	Coef.(t)	Sig	Coef.(t)	Sig	Coef.(z)	Sig	Coef.(t)	Sig
Marketing power			0.051 (3.14)	***	0.053 (3.58)	***	0.053 (2.10)	**	0.053 (3.63)	***
MP×firm size					0.014 (0.71)		0.014 (1.28)		0.014 (0.79)	
MP×firm age					0.023 (1.85)	*	0.023 (2.89)	***	0.023 (1.50)	
MP×service intensity					- 0.035 (- 2.19)	**	- 0.035 (- 3.46)	***	- 0.035 (- 2.75)	***
MP×resource slack					0.026 (1.71)	*	0.026 (3.09)	***	0.026 (1.96)	*
Firm size			0.440 (19.51)	***	0.440 (19.44)	***	0.440 (2.94)	***	0.440 (23.75)	***
Firm age			0.106 (6.52)	***	0.105 (6.42)	***	0.105 (3.10)	***	0.105 (8.07)	***
Service intensity			- 0.019 (- 0.73)		- 0.018 (- 0.69)		- 0.018 (- 1.90)	*	- 0.018 (- 0.86)	
Resource slack			0.023 (1.72)	*	0.024 (1.75)	*	0.024 (1.91)	*	0.024 (2.11)	**
Competition	- 0.011 (- 0.53)		0.002 (0.12)		0.002 (0.09)		0.002 (0.14)		0.002 (0.12)	
Advertising	0.056 (2.55)	**	0.056 (3.60)	***	0.055 (3.52)	***	0.055 (2.04)	**	0.055 (4.32)	***
Revenue growth	0.030 (2.16)	**	0.026 (2.08)	**	0.028 (2.20)	**	0.028 (2.62)	***	0.028 (2.58)	**
Diversification	0.113 (4.92)	***	- 0.029 (- 1.55)		- 0.027 (- 1.42)		- 0.027 (- 1.92)	*	- 0.027 (- 1.77)	*
R&D	0.008 (0.61)		0.064 (2.39)	**	0.063 (2.38)	**	0.063 (1.89)	*	0.063 (2.48)	**
Year dummies	Yes		Yes		Yes		Yes		Yes	
Industry dummies	Yes		Yes		Yes		Yes		Yes	
R ²	0.171		0.352		0.355		0.355		0.355	
Partial F	-		87.165	***	3.225	**	-		-	
# of observations	6833		6833		6833		6833		6833	

All the VIFs are lower than 5

* $p < .10$, ** $p < .05$, *** $p < .01$

conclude that the escalating MP in larger firms may drive more CSR engagement due to the structural readiness for such a tendency. The enhanced coordination toward market advantages is more desired by larger firms, which tend to have more hierarchies and a more complex organizational structure. However, we can also state that stronger MP in smaller firms may also be important for motivating the firm to deploy CSR because smaller firms are particularly in need of new customer relationships, and marketing executives are more likely to blend the marketing and CSR functions to achieve this goal. Furthermore, the relatively simpler

organizational structure may give the marketing function a better position for understanding the environment and connecting the communities, and thus increase the propensity toward CSR engagement. These effects may jointly explain the non-significance of this moderating factor.

Theories point toward firm age being a moderating link of MP-CSR (H3). We find evidence for this relationship ($b = .023$, $p < .1$), which we graph in Fig. 1. MP in older firms has a stronger effect on CSR than in younger firms. The traditional thinking about younger firms suggests that these firms may have quicker adaptability to

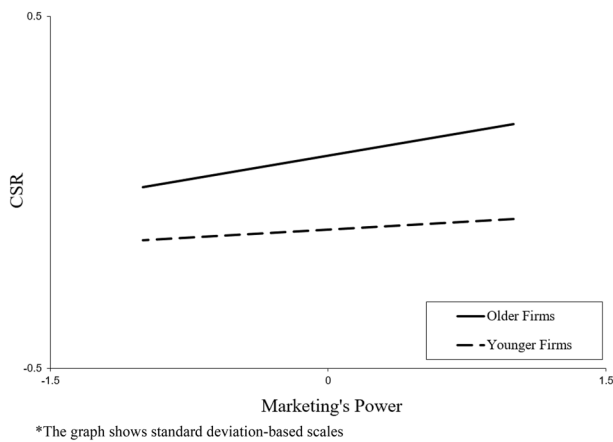


Fig. 1 Moderating effect of firm age on MP-CSR. *The graph shows standard deviation-based scales

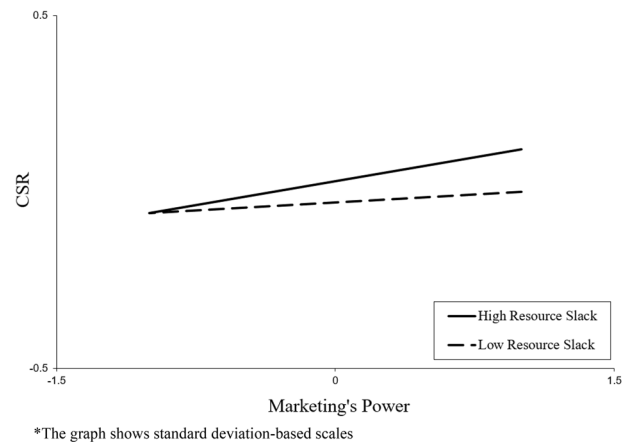


Fig. 3 Moderating effect of resource slack on MP-CSR. *The graph shows standard deviation-based scales

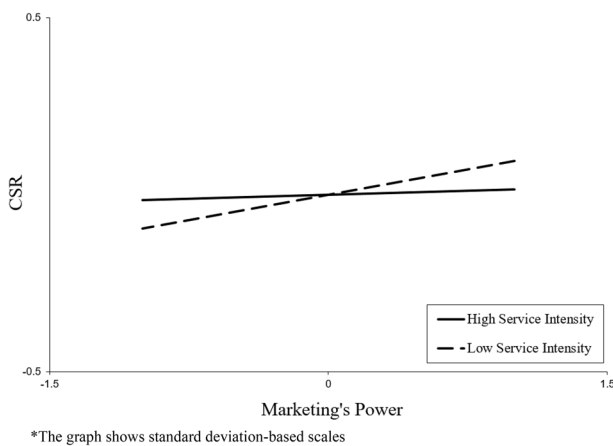


Fig. 2 Moderating effect of service intensity on MP-CSR. *The graph shows standard deviation-based scales

market changes; thus, they might be more likely to engage in CSR. However, our results confirm that this is not the case. In fact, older firms may be more motivated to launch CSR, which is found in the positive main effect of firm age ($b = .105, p < .01$). Further, marketing’s role in the TMT in older firms will add strength to this association. This is due to the specific role of marketing in (1) the firm’s knowledge accumulation, (2) higher level of dissemination of knowledge in older firms’ business cycles. Together these will lead to higher community and social group involvement; thus, MP in these firms will more strongly foster relationship building and community involvement via higher CSR deployment.

H4 hypothesizes that MP will have a stronger effect on CSR for manufacturing firms than for service firms. This proposition is supported ($b = -.035, p < .05$), and the relationship is graphically illustrated in Fig. 2. This empirical finding

confirms the theoretical rationale in that the marketing executives in manufacturing firms place higher emphasis on the means of protecting reputation; thus, these firms are more motivated to be involved in CSR. Further, it is interesting to see that when MP is low, service firms have higher CSR than manufacturing firms, but when MP is high, manufacturing firms’ CSR propensity exceeds that of service firms. This pattern points to the fact that MP and manufacturing intensity are complementary, and marketing executives in these firms are more likely to convince the TMT to choose a CSR-oriented development path.

Theory also directs us to the alternative proposition of the influence of resource slack. (H5). We find evidence for a moderating effect ($b = .026, p < .1$) in which MP performs stronger for high resource slack firms. This effect is graphed in Fig. 3. There is an opposite argument in that the marketing function (reflected in the number of marketing personnel) in low-resource firms are possibly more motivated to consider CSR, given the evidence of the benefits of this strategy. However, it is possible that a firm may have resource constraints when formulating strategic options, and CSR has long been found to consume significant resources, thus creating internal competition. But for resource-abundant firms, the marketing function may have more freedom to consider social projects that complement the core business actions, leading to the positive moderating effect of resource slack.

Robustness and Additional Studies

Robustness Checks

In addition to the measure of CSR in the main model, which uses the range-based normalization, we further use mean- and maximum-based methods, and the results are highly consistent. In the main model, we apply the robust-cluster regression. To further ensure the robustness on the method

Table 3 Additional analysis results (marketing power and CSI)

	Full model (Robust–Cluster)		Full model (Driscoll–Kraay)		Full model (Newey–West)	
	Coef.(t)	Sig	Coef.(z)	Sig	Coef.(t)	Sig
Marketing power	– 0.023 (– 2.13)	**	– 0.023 (– 3.68)	***	– 0.023 (– 2.60)	***
MP×firm size	– 0.010 (– 0.60)		– 0.010 (– 1.89)	*	– 0.010 (– 0.81)	
MP×firm age	– 0.011 (– 1.14)		– 0.011 (– 1.13)		– 0.011 (– 1.34)	
MP×service intensity	– 0.011 (– 0.98)		– 0.011 (– 3.64)	***	– 0.011 (– 1.22)	
MP×resource slack	0.028 (3.22)	***	0.028 (3.93)	***	0.028 (3.51)	***
Firm size	0.216 (6.90)	***	0.216 (2.98)	***	0.216 (10.50)	***
Firm age	0.043 (2.64)	***	0.043 (2.30)	**	0.043 (3.28)	***
Service intensity	– 0.027 (– 1.14)		– 0.027 (– 2.85)	***	– 0.027 (– 1.37)	
Resource slack	– 0.022 (– 1.85)	*	– 0.022 (– 3.56)	***	– 0.022 (– 2.30)	**
R^2	0.367		0.367		0.367	
Controls	Yes		Yes		Yes	
Partial F	3.025	**	–		–	
# of observations	6833		6833		6833	

All the VIFs are lower than 5

* $p < .10$, ** $p < .05$, *** $p < .01$

choice, we run the same model using the Driscoll–Kraay and Newey–West methods, which are also preferred ways of analyzing the panel data. The results again show satisfactory consistency (Table 2). We also vary the measures of the other variables. As examples, we choose the three-digit and four-digit SIC codes to define the industries; we use asset size to scale advertising and R&D rather than sales. These measure variations do not result in a change in the relationships that we find in the main model.

When designing our model, we carefully minimize the endogeneity by using the lagged dependent variable to alleviate the simultaneity associated with endogeneity, and we also purposefully include a comprehensive set of control variables that sufficiently cover the internal firm characteristics and external environmental conditions and, hence, effectively reduce the concern of omitted variables. Beyond that, we apply three additional procedures to ensure that our model is not threatened by endogeneity. First, we use the Durbin–Wu–Hausman test to examine MP, and we find that endogeneity is not a concern. Second, we apply a 2SLS method by using the lagged MP as the instrumental variable, the most accepted manner of effectively dealing

with endogeneity (e.g., Zaefarian et al. 2017). We find that the relationship between MP and CSR still holds ($b = .055$, $p < .01$). Third, we further apply a GMM approach on the model. GMM is renowned for handling endogeneity (Ullah, Akhtar and Zaefarian 2018). The result shows that the MP's significant influence on CSR does not change ($b = .055$, $p < .01$).

MP and Corporate Social Irresponsibility

Corporate social irresponsibility (CSI) has often been considered to be the opposite of CSR. However, recent scholars also suggest that CSI should not be considered merely a mirrored construct. It may have a greater negative impact on the firm than the positive effects of CSR (Kang et al. 2016). Given these important characteristics of CSI, it is worthwhile to determine if MP, which has been found to positively drive CSR in our empirical work, will also influence CSI. We collect KLD's social concerns data items and use the same measure method to obtain the CSI scores. We formulate the same set of moderators and control variable

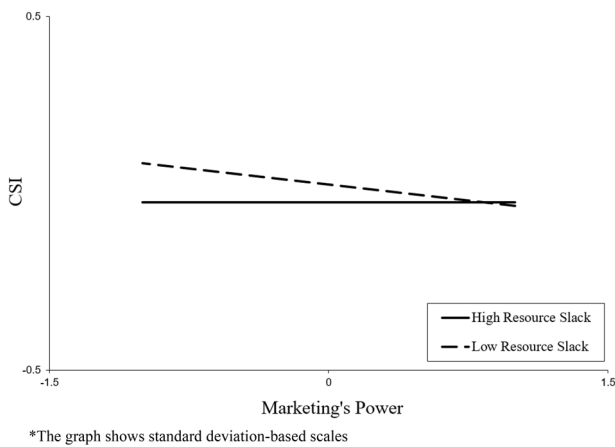


Fig. 4 Moderating effect of resource slack on MP-CSI. *The graph shows standard deviation-based scales

sets as well as statistical tools. The estimated equation is discussed in Appendix 3.

The results are shown in Table 3. It is interesting to see that MP negatively impacts CSI. In other words, an increase of MP will likely suppress the firm’s tendency to engage in undesirable social activities. Beyond this, the significant moderation between CSI and resource slack shows that when a firm has resource constraints (low resource slack), MP performs more effectively to reduce CSI. Given that firms often risk their reputation when facing difficulties and may seek more CSI, the marketing function’s power plays a critical role in reducing this tendency, as reflected in the results from the analysis (Fig. 4).

MP and CSR Capability

CSR is essentially a firm’s action, which has already been confirmed to positively drive firm financial performance. When MP is involved, a further question that arises is, would MP influence the capability of CSR regarding its performance realization? CSR capability is therefore defined as the degree to which a firm can use its CSR activities to achieve its financial performance. Firms that launch similar CSR programs may yield very different performance results depending on their capabilities of using CSR. To investigate if MP influences CSR capability, we first adopt a stochastic frontier model to obtain CSR capability. SFM is popularly used in business studies to gauge firms’ capabilities of translating inputs into performance outputs (Akdeniz et al. 2010; Dutta et al. 2005). The setup of the model and the estimated equation with the same explanators is presented in Appendix 4. The results from the analysis are reported in Table 4. We find that MP, in addition to positively driving CSR in firms (as shown in our main results), also significantly increases CSR capability of increasing financial performance. In other words, the presence of high MP in the firm’s TMT will help the firm better use CSR to realize corporate financial goals. This finding generates further support for the important role of MP in the TMT.

Implications for Theory

This research advances the instrumental stakeholder view of CSR, which traditionally holds that CSR is triggered by the need to meet the expectation of a specific group of firm stakeholders. This traditional view emphasizes external

Table 4 Additional analysis results (marketing power and CSR capability)

	Full model (Robust-Cluster)		Full model (Driscoll-Kraay)		Full model (Newey-West)	
	Coef.(t)	Sig	Coef.(t)	Sig	Coef.(t)	Sig
Marketing power	0.046 (1.73)	*	0.046 (5.77)	***	0.046 (2.40)	**
Firm size	- 0.202 (- 6.07)	***	- 0.202 (- 9.09)	***	- 0.202 (- 8.38)	***
Firm age	- 0.112 (- 3.94)	***	- 0.112 (- 10.54)	***	- 0.112 (- 5.42)	***
Service intensity	- 0.312 (- 4.60)	***	- 0.312 (- 8.78)	***	- 0.312 (- 6.04)	***
Resource slack	- 0.024 (- 0.85)		- 0.024 (- 1.67)	*	- 0.024 (- 1.02)	
R ²	0.214		0.214		0.214	
Controls	Yes		Yes		Yes	
# of observations	3243		3243		3243	

All the VIFs are lower than 5

p* < .10, *p* < .05, ****p* < .01

demands rather than the internal drivers for deploying CSR activities. Few of the extant studies have explicitly linked TMT's characteristics to CSR. Beyond that, the role of specific functional areas, such as the marketing function, is completely missing. Our research reveals the underlying mechanism that the marketing function in the TMT plays in the firm's engagement in CSR and in the reduction of CSI. Further, the traditional view of firm stakeholders is more concentrated towards parties that have direct connections with the firm and they may support or sanction the firm for its good or bad social behaviors. The MP's influence on CSR extends this view to the fundamental driving upstream force within a firm to respond to the needs of stakeholders. In this view, the marketing aspect of the TMT becomes a special form of internal stakeholder that execute an inside-out push for firm CSR engagement in addition to an outside-in need for CSR emphasized by the traditional stakeholder view. In addition, the marketing function is the firm area with the most connections with external stakeholders, such as customers, channel partners, and the general public. Extant CSR theories only broadly depict firm management as attentive to these key stakeholders; we lack detailed knowledge of how this type of firm response feature occurs. Singling out the MP, our research demonstrates its effectiveness at boosting firm CSR. It thus shows the inherent mechanism by which the composition of the TMT may drive the firm's social activity engagement.

Equally importantly, our study generates meaningful implications for strategic CSR. Maintaining that a firm's CSR efforts will pay off, business scholars have focused their research primarily on finding achievable CSR performance outcomes. By contrast, we aim to identify firm drivers of high engagement with the strategic tool of CSR. In doing so, we will complete the theory that underlies the path: corporate drivers CSR increase performance outcomes. In our research, we use the presence/strength of MP in the TMT to show how it may boost firm CSR and contribute theoretically to this relationship. The focus on MP is another important point addressed because strategic CSR in the literature has been found to have a significant effect on consumer markets—e.g., CSR produces desirable reputational stock, brand image, and relationship assets. Thus, MP in the TMT is seamlessly aligned in this direction and complements the existing knowledge of strategic CSR. Our research also takes a first step in establishing the positive link between MP and CSR's power of achieving financial performance. This finding generates further support for the essential role of MP in supporting CSR's effectiveness along with motivating a firm's social involvement.

This paper also clarifies the role of the marketing function from the perspective of firms' social activities. To this end, our research produces at least three important implications. First, the current understanding of the role of the

marketing function in the firm has been largely directed toward functional-level firm operations, which might possibly lead academics to conclude a decreasing influence of the marketing function in the firm TMT. Our research provides clear evidence that increasing MP in the TMT will significantly boost firm CSR, which in turn will secure a firm's market performance in various business settings. In this sense, having C-suite officers form the marketing function will benefit the firm in the long-run because the focus on CSR represents firms' forward-looking orientation on its markets. Second, MP's positive impact on CSR represents the marketing function's resource commitment to firm social activities, which bring the relationship between the marketing function and CSR closer. This intertwined resource allocation should be fully considered when researchers attempt to understand either of them, together or individually, in both the marketing and CSR study streams. Third, MP's tendency of increasing CSR and decreasing CSI signifies that the marketing function serves as an effective corporate mechanism that pursues not only benefits but also prevents any negative social impact that may result in reputational damage and/or a performance drop. In this manner, the role of the marketing function should not be studied or interpreted in a narrow fashion. Rather, its power should be put into a framework that not only includes operations and financial-based gauges, but also the social aspect that the firm will encounter in a broader scope of stakeholders. Effectively answering a call by Webster and Lusch (2013), the marketing function in this regard stands for the essential power of appealing to these stakeholders and may provide fundamental protection for the firm if its power is ensured in the TMT.

Our research also paints a radically new picture of the relationship between the marketing function and CSR. Located in fairly separate domains and theoretical models, the two are often treated as distant constructs. This is understandable, given that marketing is a functional area, and decisions are mostly made within its own territory, while CSR is more often a corporate decision that may be triggered by product traits, public relations, labor relations, business communications, etc. However, the fact that the marketing function may play important roles in the TMT has been overlooked. As we demonstrate, the increase of MP is related to the firm's orientation shift, in which CSR is emphasized to a higher degree. Thus, marketing in the firm displays differential forms: at the strategic unit level, it plays operational functions; in the TMT, it has influence via the executive's specific experience and power structure. Thus, the marketing function influences the firm across the vertical hierarchies from TMT to marketing units, while CSR is horizontally present over the different strategic areas. Combining these two will form a knitted management matrix that bests describe the close relationships between the two.

Our research initiates and provides clear empirical evidence for this.

Our research makes several contributions to upper echelon theory. According to this theory, the firm development route is largely dependent on the traits of the TMTs, which are heterogenous in nature. However, there has been little research on the marketing-side influence on activities beyond the core business scope of the firm. The relationship between MP and CSR that we present demonstrates upper echelon theory from a unique angle and extends it to a new stage. Upper echelon theory emphasizes group dynamism and integration toward firm performance, a view that may underestimate the specific functional areas' idiosyncratic impacts on the firm. In this sense, finding MP's effect on CSR provides a good example of extracting knowledge from one these specific areas. Traditionally, upper echelon theory also demonstrates the direct links between TMT traits and performance, but researchers should realize that it is the strategies that lie between management and performance that validate the link. Our finding of a positive relationship between MP and CSR capability clearly illustrates this more refined model, which will provide valuable guidance to future researchers in this area.

Implications for Practice

Firm managers often wonder if they want to commit to CSR, given the obvious trade-offs between financial expenses and benefits to the society, as well as to firm business. Our results suggest that increasing the presence of the marketing function will motivate the firm to engage more in CSR; more importantly, this trait of TMT will increase the ability of CSR to realize better financial performance. This finding offers concrete evidence that MP in the TMT will create twofold support along this route, including boosting the magnitude of CSR and subsequently improving the quality of CSR activities, as reflected by its ability to realize financial gains. From the shareholders' view, focusing more on the MP in the TMT may therefore align the firms' goal to those of shareholders because CSR activities are tightly connected to instrumental stakeholders, including shareholders as the major party. Further, the firm governance team, such as the board, is often interested in building wide networks composed of different external parties, but they lack actionable routes for realizing this goal. In this area, our results provide solid suggestions for increasing MP in the TMT, a change that can raise the firm's ability to appeal to different parties connected via CSR activities, leading to better networks that facilitate many types of firm operations.

Looked at from another angle, the finding of a reduction in CSI due to an increase in MP in the TMT illustrates the important strategic implications for firms that are wary about public image vulnerability. While CSR is primarily

voluntarily initiated and deployed by firm management, CSI may or may not be voluntarily initiated and deployed; it may occur due to unexpected reasons, such as product failure, procedure errors, or coordination malfunctions. Thus, managers often have little clue about how to control the fallout from CSI. Our research suggests that MP in the TMT may help to reduce CSI. Combining the findings of MP-CSR and MP-CSI, MP collectively plays the key role of generating benefits and avoiding risks, thus becoming a preferred strategy for managing firm social activities and targeting better performance.

Evidence of the moderation paths that we study has additional implications for firm managers. As an example, for older firms, higher MP will more likely to lead to CSR involvement. This is interesting because firms with longer tenure (i.e. older firms) often have an established norm for allocating resources between their core business and social activities. Thus, if the firm is considering emphasizing the latter, it would be better off raising the MP in the TMT. This strategic restructuring will generate more CSR-oriented strategic paths. This notion can also be leveraged to manufacturing firms and those with abundant resources. The moderating role of resource slack on MP-CSI also deserves attention. In the low-resource-slack scenario, MP in the TMT will more strongly reduce CSI. In the business world, when firms are low in resources, they will be more likely to incur CSI because they have to engage in undesirable options, such as lowering quality standards, cutting the resources deployed toward protecting the environment, or reducing employee protection programs. In such situations, firms will particularly need to focus on higher MP in the TMT.

Limitations and Future Research Directions

The current research is focused on the MP in the TMT. However, the relationship between the marketing function and CSR may occur at different levels in the firm. Therefore, it will be important to examine the marketing function in other hierarchies of firm management and how it may yield different influences on firm CSR and CSR effectiveness. Future researchers can more completely map how these two important constructs are related within the firm. They can also further analyze the firm's governance team (the board), which holds a very different role as compared to the TMT; it represents the principals (shareholders), while the TMT is an agent appointed by the owners. Thus, MP may play very different roles in driving CSR in these two entities.

Although we account for the industry specific effects, idiosyncrasies can exist at the level of the firm and its nature. One of the most important issues that we have not been able to address is the listing status of the firm. The data available are only present for publicly listed firms.

Based on extant literature, there is reason to believe that there will be differences across listed, non-listed and family firms on CSR (Niehm et al. 2008; Déniz and Suárez 2005). Such rich data would allow us to explore the differential relationship between the TMT structure and CSR.

The ExecuComp database not only includes executives' marketing-related metric, but also other aspects of their background, such as operations and technological background, that researchers could further explore. It would be equally meaningful to discover how the different power types may influence firm CSR engagement and indeed other performance measures. Each power type, such as marketing, finance, accounting, information science and even human resources has a specific agenda that they want to further based on their understanding and interpretation of CSR, CSI, CSR capability and financial performance. The application of their interpretation can therefore be measured in terms of the actual changes in these performance variables. Additionally, it will be interesting to examine the interaction between power types in the TMT and their joint forces on firm CSR (and CSI). This will have desirable implications not only for the CSR literature but also for management theories regarding the internal dynamics of TMTs.

It is important to acknowledge that specific conditions or levels of the causal or control factors/conditions might be primary drivers of the relationships that we explore. Methods such as Fuzzy set Qualitative Comparative Analysis can identify such combinations to test for their necessity or sufficiency.

Finally, the current research takes a cross-sectional approach to understanding MP and CSR. However, the marketing function may have long-term effects on firm activities because the MP in the TMT may affect firm policies in the long term. In that sense, building the longitudinal pattern of MP's influences should help to provide a detailed picture that significantly advances theories and clearly guides business practices.

Compliance with Ethical Standards

Conflict of interest The authors declare that they have no conflict of interest.

Appendix 1

See Table 5.

Table 5 The sample distribution across industries

SIC	Industry names	# of firms	SIC	Industry names	# of firms
10	Metal mining	3	47	Transportation services	7
12	Coal mining	4	48	Communications	43
13	Oil and gas extraction	50	49	Electric, gas and sanitary services	66
14	Mining and quarrying of nonmetallic minerals	6	50	Wholesale trade—durable goods	34
15	Construction—general contractors & operative builders	12	51	Wholesale trade—nondurable goods	21
16	Heavy construction, except building construction, contractor	11	52	Building materials, hardware, garden supplies & mobile homes	5
17	Construction	4	53	General merchandise stores	16
20	Food and kindred products	45	54	Food stores	9
21	Tobacco products	4	55	Automotive dealers and gasoline service stations	12
22	Textile mill products	4	56	Apparel and accessory stores	26
23	Apparel, finished products from fabrics & similar materials	17	57	Home furniture, furnishings and equipment stores	6
24	Lumber and wood products, except furniture	12	58	Eating and drinking places	26
25	Furniture and fixtures	10	59	Miscellaneous retail	28
26	Paper and Allied Products	22	60	Depository institutions	5
27	Printing, publishing and allied industries	16	61	Non-depository credit institutions	14
28	Chemicals and allied products	118	62	Security & commodity brokers, dealers, exchanges & services	34
29	Petroleum refining and related industries	9	63	Insurance carriers	63
30	Rubber and miscellaneous plastic products	8	64	Insurance agents, brokers and service	9
31	Leather and leather products	8	65	Real Estate	5
32	Stone, clay, glass, and concrete products	8	67	Holding and other investment offices	88
33	Primary metal industries	21	70	Hotels, rooming houses, camps, and other lodging places	5
34	Fabricated metal products	22	72	Personal services	6
35	Industrial and commercial machinery and computer equipment	95	73	Business services	147
36	Electronic & other electrical equipment & components	117	75	Automotive repair, services and parking	4
37	Transportation equipment	44	78	Motion pictures	5
38	Measuring, photographic, medical, & optical goods, & clocks	79	79	Amusement and recreation services	10
39	Miscellaneous manufacturing industries	14	80	Health services	29
40	Railroad transportation	4	82	Educational services	10
41	Local & suburban transit & interurban highway transportation	1	83	Social services	1
42	Motor freight transportation	13	87	Engineering, accounting, research, and management services	29
44	Water transportation	7	99	Others	5
45	Transportation by air	13			

Appendix 2

We first adopt the robust regression with White standard error with a firm cluster adjustment using:

$$\hat{V}_{cl}(\hat{\beta}) = (X'X)^{-1} \left(\sum_{j=1}^j X'_j \hat{\epsilon}_j \hat{\epsilon}'_j X_j \right) (X'X)^{-1}$$

where $\hat{\epsilon}_j$ denotes the vector of residuals for the j th cluster from OLS estimation. This method is renowned for dealing with heteroscedasticity and autocorrelation when firm panel data are involved (Stock and Watson 2008). To ensure the robustness, we further use the Driscoll–Kraay method and Newey–West method, which also generate the heteroscedasticity and autocorrelation consistent (HAC) standard errors

and are in popular use in all business research fields (e.g., Chapple and Humphrey 2014; Vogelsang 2012).

Appendix 3

$$\begin{aligned}
 CSI_{it+1} = & \beta_0 + \beta_1 \times MP_{it} + \beta_2 \times MP_{it} \times FSize_{it} + \beta_3 \times MP_{it} \times FAge_{it} \\
 & + \beta_4 \times MP_{it} \times SerIn_{it} + \beta_5 \times MP_{it} \times Slack_{it} + \beta_6 \times FSize_{it} \\
 & + \beta_7 \times FAge_{it} + \beta_8 \times SerIn_{it} + \beta_9 \times Slack_{it} \\
 & + Control\ Variable\ Set + Time\ Dummies_t \\
 & + Industry\ Dummies_j + \varepsilon_{it}.
 \end{aligned}$$

Appendix 4

We use Tobin's q as the performance measure because the q is a preferred indicator of shareholder value and is the fundamental reflection of firms' financial goals (Singh et al. 2018). We use CSR and CSR momentum as reflected by the growth rate of CSR as the input factors. Then we use SFM to gauge how well firms can use CSR and CSR momentum to realize the performance. The model is formulated as

$$\begin{aligned}
 \ln(FPer_{it}) = & \alpha_0 + \alpha_1 \times \ln(CSR_{it}) + \alpha_2 \\
 & \times \ln(CSRMomentum_{it}) + \varepsilon_{it} - \eta_{it}
 \end{aligned}$$

$FPer_{it}$ is the residual of a regression that partials out other factors' influences from Tobin's q . These factors include firm traits such as size, age, diversification, advertising, and R&D, as well as external environmental influences such as munificence, turbulence, and competition:

$$Tobin\ q_{it} = f(\text{firm factors}_{it} + \text{environmental factors}_{jt})$$

This ensures that CSR's effects on performance in the frontier model may be gauged in purity. The reversed η_{it} measures the capability of CSR. We then run the robust regressions with CSR capability (CSR_{Cap}) as the dependent variable and MP as the independent variable.

$$\begin{aligned}
 CSR_{Cap_{it+1}} = & \beta_0 + \beta_1 \times MP_{it} + \beta_2 \times MP_{it} \times FSize_{it} + \beta_3 \times MP_{it} \\
 & \times FAge_{it} + \beta_4 \times MP_{it} \times SerIn_{it} + \beta_5 \times MP_{it} \\
 & \times Slack_{it} + \beta_6 \times FSize_{it} + \beta_7 \times FAge_{it} + \beta_8 \times SerIn_{it} + \beta_9 \\
 & \times Slack_{it} + Control\ Variable\ Set \\
 & + Time\ Dummies_t + Industry\ Dummies_j + \varepsilon_{it}.
 \end{aligned}$$

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