

Ensuring Validity in the Measurement of Corporate Social Performance: Lessons from Corporate United Way and PAC Campaigns*

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ABSTRACT. Building on philosophy of science literature and two original studies, this paper argues for the necessity of incorporating all three portions of Wood's (1991) theoretical model of corporate social performance (CSP) into its measurement. It begins by describing the two studies of an organizational phenomenon not commonly studied – internal fund drives to employees. Insights from these studies of corporate PAC and United Way campaigns are then used to illustrate how important it is to incorporate all three portions of Wood's model into the measurement of CSP to prevent drawing faulty conclusions. The paper concludes by providing a matrix for use in testing the validity of CSP measures.

Recent controversies concerning organizations advertised as “socially responsible”, as well as recent calls for “balanced scorecards” (Kaplan, 1992, 1996) and “sunshine standards” (Estes, 1996), have highlighted issues surrounding the measurement of corporate social performance (CSP). Charges of non-rigor in measurement have been leveled against the academic community studying CSP performance. While such charges might be easy to dismiss, another approach could be to review where the academic community stands in its attempts to define and measure CSP. This paper argues for the latter approach and discusses important aspects of such a review.

The paper begins with a brief discussion of the progression of the CSP construct. It then discusses two original studies by the authors. The combined findings of these two studies illustrate

the necessity of being rigorous in our measurement of CSP in order to avoid serious interpretive mistakes. The paper then moves into a general discussion of validity of measures as they relate to CSP. The paper concludes by providing a matrix for researchers to use in testing the validity of CSP measures.

History of the concept of corporate social performance

Extensive reviews of the development of CSP (Wood, 1991) and empirical studies of this construct (Davenport, 1995; Wood and Jones, 1995) already exist in the literature. As noted by these authors, while the notion of corporate social responsibility has been discussed a great deal over the years, theoretical clarity as to the meaning of CSP has been slow in coming. Ullman (1985) discussed the severe implications of this problem on the validity of CSP studies. It is impossible to have valid measures of a construct without having a well-defined theoretical construct. Nevertheless, great progress in theoretical clarity has been made in the past few years.

In particular, Wood's (1991) newest model is a developmental model woven together from elements of earlier models into a more comprehensive one. It evolved from earlier work by authors such as Carroll (1979), Jones (1980) and Wartick and Cochran (1985). These various authors suggested definitions based on corporate principles, corporate processes, and stakeholder



outcomes. Wood's (1991, p. 693) definition of CSP is as follows:

A business organization's configuration of principles of social responsibility, processes of social responsiveness, and policies, programs, and observable outcomes as they relate to the firm's societal relationships.

Based on the comprehensiveness of the arguments and judgments of its importance by the academic community (Carroll, 1994), we suggest that the theoretical definition of CSP is at a point where we can now feel comfortable critiquing the validity of future empirical studies. Indeed, directly following her articulation of the new definition of CSP, Wood writes:

Thus, to assess a company's social performance, the researcher would examine the degree to which principles of social responsibility motivate actions taken on behalf of the company, the degree to which the firm makes use of socially responsible processes, the existence and nature of policies and programs designed to manage the firm's societal relationships, and the social impacts (i.e. observable outcomes) of the firm's actions, programs, and policies.

In order to test a company's level of corporate social performance, researchers must be able to deconstruct the outcome from the processes. Additionally, researchers must be able to decouple the principles guiding the organization's actions from both the processes employed and outcomes obtained. For example, a wood products firm promoted itself as socially responsible because it developed a forest sanctuary. However, upon closer inspection, we find that this was due to a consent agreement with the United States Government because of the company's past poor environmental performance. In fact, the principles of the company do not support the creation of a forest sanctuary. The company's officers are upset that they are being forced to do so. Thus, the earlier conclusion – high company social performance – would be incorrect because one looked only at the outcome.

To more fully understand why and how each

construct (principles, process, outcomes) of the CSP measure should be evaluated, we look next at two studies of employee giving. Taken together, they illustrate the difficulty researchers have when measuring only one or two of these constructs. We note that we have not performed comprehensive measures of CSP in these studies. Rather, the results of these studies provide examples of how erroneous conclusions can be drawn when all three constructs are not investigated simultaneously. Following these studies, we present a matrix to be used in testing the validity of CSP measures.

Studies of corporate political action committees and United Way campaigns

Two original studies conducted by the authors are used to illustrate CSP measurement problems. The studies are similar in that they each look at corporations' solicitations of employees for funds. These studies relate to the topic at hand in that the outcomes of these efforts – corporate political contributions and activity and United Way contributions – are often used as measures of good or bad corporate social performance. The first study investigates the solicitation drives which support corporate political action committees (PAC).¹ The second study uses a survey of corporate United Way campaign drives² to measure corporate social performance. The data illustrates how measurement of CSP is tainted when research focuses solely on outcomes.

Corporate political action committees

Some have suggested that corporate PACs are deleterious to society (Lindblom, 1978), arguing that PACs have corrupted the political system. To gain greater insight into this, we studied corporate PACs solicitation efforts. In our study of corporate PACs, directors of 29 such PACs across the U.S. were interviewed concerning the solicitation techniques utilized by their companies. These directors provided information concerning their solicitation strategies, the principles

guiding their PACs, ways in which their PACs were organized and governed, and how dollars were allocated. The interviewees represented firms across a wide spectrum of industries, including insurance, finance, banking, paper products, fishing, utilities, leisure, forest products, aerospace, communications, petroleum, and computers. We chose PAC directors as the focus of our research since they represent both the individuals performing the soliciting and the solicitees. Thus, the directors provided a good source of data in terms of the organization's goals in PAC solicitation, how it solicited employees, and how the employees responded to solicitation attempts.

Such qualitative research has various strengths and weaknesses. The greatest strength of qualitative research is the rich data it provides. However, weaknesses include interviewer bias (Kram, 1985), interpretative bias (Schatzman and Strauss, 1973), and selection bias. Interviewer bias was mitigated by using two interviewers in data collection and by using a standard interview format. Interpretive bias was mitigated by using a third researcher in the coding stage. Finally, selection bias was mitigated by also interviewing PAC consultants to verify the general themes we obtained through our interviews.

The research illustrated several points in relationship to the principles, processes and outcomes involved in corporate PACs solicitation efforts. In terms of principles and outcomes, several of the PAC administrators saw the PAC as a vehicle for getting more people involved in government. In other words, these managers believed the *raison d'être* for the PAC was to encourage democratic government. They measured their effectiveness by higher voter turnout (outcome) and greater political awareness among employees (outcome). Alternatively, others saw their PAC primarily as an upper management profit tool. It was their belief that the principle guiding PAC giving was to obtain funds to use in furthering the corporation's political effectiveness.

The processes involved in the decision-making and the governance of these PACs tended to be very different. Solicitation techniques ranged from democratic to highly centralized.

Companies such as Dow had people throughout the organization on its PAC decision-making committee. Other companies had only upper-level managers on the committee. As a result of the differences in committee membership and governance, methods employed to solicit funds varied considerably. Additionally, employees' perceptions regarding the voluntary nature of giving also differed. As one PAC consultant told us, "anytime you get more than 80% donations, coercion is occurring". Since some of the companies we studied had more than 80% participation, we suspect there was some degree of coercion present in the giving process. Therefore, while the outcome might be construed as favorable (i.e. a high level of giving was achieved), research suggests that looking solely at one dimension of CSP misses other important considerations.

United way study

In 1994, 180 full and part-time MBA students at a major Midwestern university were surveyed concerning their experiences with United Way solicitations. They provided data on either the corporations they had worked for prior to entering MBA programs or on their current employers. The participants averaged 28 years of age, with 6 years of work experience. Approximately one-third of the students were female. These subjects filled out a short questionnaire with seven point Likert-response scales with anchor labels of strongly disagree to strongly agree. In addition to the Likert-response questions, an area was provided for written comments.

Table I shows the questions, their mean responses, and standard deviations. The means on the questions ranged from three to just over five. However, the standard deviation is probably the more interesting story. On most questions, the standard deviation is fairly high. In fact, histograms show a wide dispersion in the answers. Thus, our subjects' experiences with corporate United Way solicitations varied widely. While some had good experiences, others had very bad ones.

TABLE I

Mean of responses on questions concerning corporate United Way campaigns (on 1 to 7 scale, 1 = strongly disagree, 7 = strongly agree; $n = 180$)

#	Question	Mean	s.d.
1.	The United Way Campaign was taken very seriously at my company	5.28	1.86
2.	Employees who give to the United Way Campaign are somehow singled out from those who do not	3.86	1.98
3.	Our company makes it clear that United Way contributions are expected of people who want a good career here	3.03	2.03
4.	Our top management is very involved in United Way solicitations	4.62	1.99
5.	I feel that management would know if I did not contribute	4.32	2.35
6.	There is no coercion in soliciting United Way contributions	3.91	1.95
7.	Giving to the United Way was a personal matter	5.22	1.74
8.	Those who gave to the United Way were given rewards (mugs, stickers, flags, dress-down days, etc.)	3.73	2.38
9.	Management subtly encouraged giving by employees	4.85	1.90
10.	My United Way contributions would be the exact same no matter if I worked for this company or not	4.23	2.08
11.	I personally believe in the United Way	4.71	1.79

Table II provides a formal factor analysis of the items in the questionnaire. This analysis provides a two-factor model with factors which we have labeled "United Way coercion" and "United Way support". The United Way coercion factor includes items such as "employees who give to the United Way are somehow singled out from those who do not", and "our company makes it clear that United Way contributions are expected of people who want to have a good career here". Items which loaded negatively on this factor include, "giving to the United Way was a personal matter", and "there is no coercion in soliciting United Way contributions". Indeed, participants whose scores were high on this factor seemed to be those who wrote negative comments concerning their United Way experiences.

The second factor, which we labeled United Way support, appears to tap into the support that the company's management gave the campaign. This factor includes the following questions: "our top management is very involved in United Way solicitations", "the United Way campaign was taken very seriously at my company", and "management subtly encouraged giving by employees." While the questions in this factor seem to include a notion of coercion, the factor analysis was able

to split these two factors. Thus, it appears that employees are able to differentiate taking the campaign seriously, and arm-twisting. Indeed, scores on the second factor do not predict negative comments on the written portion nearly as well as those of the first factor.

Finally, the subjects responded to the statement "I personally believe in the United Way." The data analysis suggests that the way respondents answered this question also had a moderating effect on the way they responded to the other questions. Correlational analysis shows that those who responded more positively to this question were more likely to feel that:

- less coercion exists in United Way campaigns;
- it is not an expectation for a good career;
- giving is a personal matter;
- people are not singled out for their giving; and
- they would give the same amount regardless of the corporate campaign.

In addition, it is interesting to note that younger employees seemed to be more swayed by the corporation's campaign. They were more likely to feel coerced to give and more likely to give

TABLE II
Factor analysis on United Way questionnaire

Varimax rotated factors	U.W. coercion	U.W. support
Giving to the United Way was a personal matter	-0.798	
Employees who give to the United Way are somehow singled out from those who do not	0.762	
Our company makes it clear that United Way contributions are expected of people who want to have a good career here	0.756	
There is no coercion in soliciting United Way contributions	-0.684	
I feel that management would know if I did not contribute	0.663	
<i>Scale reliability</i>	<i>0.841</i>	
Management subtly encouraged giving by employees		0.802
The United Way Campaign was taken very seriously at my company		0.766
Our top management is very involved in United Way solicitations		0.760
<i>Scale reliability</i>		<i>0.790</i>

a higher amount because of the corporate campaign.

Themes from the combined studies of corporate PAC and United Way campaigns

We next analyzed the data from the two studies for common themes. This analysis was possible because of the similarity between the two studies. For example, both were concerned with corporate programs designed to solicit and utilize employee funds. Both programs could potentially produce social good. However, both could produce negative social outcomes when used by a corporation to fulfill its own goals.

Principles driving the organization's solicitation efforts

The qualitative data indicate that solicitees in both United Way solicitation efforts and PAC drives are able to perceive differences in the principles which underlie management's motivation for running these campaigns. Our PAC subjects broadly identified two principles which propelled management's efforts. We labeled these principles as "employee education" and "furthering organizational political interests". We note that these principles may coexist in some companies. In the

case of United Way solicitations, two underlying motivations or principles also emerged. These were to either "provide a benefit to society" or "benefit the organization". We again note that these principles can coexist in one organization.

Our data indicates that employees and campaign managers are aware of the differences in the *principles* which the organization embraces in running its solicitation drives. Careful analysis of the qualitative data suggests that employees are sophisticated enough to evaluate whether giving campaigns are driven by a corporation's socially responsible values, or whether they are driven by other motives. As a result, employees respond to these principles in their giving approach.

For example some PAC campaigns are motivated by a desire to open the political process to employees. Managers of these PACs place an emphasis on educating employees regarding political matters, with the goal of "getting (sic) people to feel good about the PAC." Success, when the principle of the organization is to educate employees about the political process and provide them with a tool to become directly involved in that process is measured by the increase in awareness of the link between individual action and political outcomes. As one director said,

. . . It will be more of an educational process. I would explain how PAC's are run and more the

political aspects of things in the government, the relationships, how the power of Congress interacts with us. More of the political overview.

Another director stated his PAC's goal to be "the first big successful corporate platform for political education. . . . It (the PAC) is mostly a political, information, political education kind of everything." It is this interest in education which distinguishes the organization whose principle behind its PAC activity is to provide employees access to the political process. These companies emphasize employee "ownership" of the PAC. The membership of the PAC directory board is employee derived, rather than run by high level management or public affairs officials. In such a situation, company support of the PAC can be seen as socially responsible. This interpretation is particularly correct when the company's principle is to ensure employee access to the political process.

On the other end of the spectrum are organizations which use the PAC as a vehicle to further the company's particular goals and interests in the political arena. Here, the goal is to show the link between political outcomes and the stability of the employee's job. Highlighting this link is one way for the organization to demonstrate the rationale for PAC giving. According to one PAC manager, efforts are made to insure that

the extreme importance of public policy decisions, regulations, and what Congress does to [our] own bottom line

was clearly laid out for individuals. This company goes to great lengths to show employees how politics affect the company's productivity, and how the company's productivity affects management's pay. By achieving this goal, giving is increased and the company is able to further its particular political interests.

United Way fund drives also diverged in the principles guiding them. Some organizations held drives, which were motivated by the opportunity to provide charitable contributions to a "deserving" organization. Others were attempting to obtain some benefit from the United Way campaign, whether it be community

recognition and goodwill, or by procuring United Way funds for the organization.

One company was quite blatant in demonstrating to employees how it would benefit employees and the company if giving was high in that organization. An employee noted:

As a former employee who *worked for an organization funded by United Way*, it was clearly expected for you to donate a fixed percent according to seniority. You were looked at as not being a team player if you questioned the amount they asked.

In this situation, the principle guiding the company's charitable efforts is not charity, per se, but insuring that the organization gets a piece of the United Way pie. Another subject echoed this sentiment by stating:

I was mad at the memo that came out from the Chairman. He does not care about employees, but expects us to care about the United Way because it *has benefited his business*.

Employees are not fooled by organizations. If the underlying principle guiding a charitable effort is corporate gain, they will ferret that out. As a result, employees may feel bitter about giving when the intent is to promote the company in some way.

Just as there are companies that push United Way drives because they benefit the organization, there are also organizations whose motivation is to provide employees with an opportunity to "do good", or as one employee articulated, "it gave us an opportunity to give to the less fortunate." Our data suggests that individual employees do perceive what underlies the company's giving campaigns. This knowledge is clear whether the campaign is political or philanthropic. The message can be implicit, or it can be explicit. Regardless, employees do understand the different principles guiding the company's solicitation effort, and respond to these principles in some way.

Processes employed in fund drives

I didn't believe in (it), didn't contribute, was left out, left company.

One might think this is pretty damning evidence regarding the processes used to solicit PAC funds and the pressures employees feel if they don't contribute. However, that would be wrong. This individual isn't referring to his former employer's PAC contribution campaign. Rather, he is discussing the company atmosphere created by the United Way campaign.

Just as consideration must be given to principles, so should the corporation look closely at the methods it employs in order to achieve a social good. Both ends and means are important. We identified three areas in which the *processes* employed by organizations were potentially inappropriate. These areas include recognition for involvement, excessive follow-up, and compromised confidentiality.

Recognition for involvement. Gifts provided to employees for contributing to the company's PAC could have two effects. When kept low-key and non-intrusive, they subtly encouraged giving. However, the opportunity to use gifts as a tool to bludgeon non-givers into contributing existed. PACs sensitive to the issue of coercion, therefore, avoided giving recognition for contributions. One manager stated:

We want to go to great lengths to really insure that people feel [giving] is completely voluntary and there is no perception of pressure.

While recognition for involvement in corporate giving campaigns can be construed to be a positive method of promoting the individual's contribution and recognizing his efforts, it can also be seen as an attempt by management to single out those who had not given. Another company provided gifts for levels of donations.

We have recognized people who are now members with a coffee cup. . . . We have a leadership club and that's everyone who gives a recommended guideline of 1/2 of 1% receives a pin.

When asked whether employees might feel coerced by not having these gifts, this manager responded by saying, "We [the PAC] are not a spectator sport." Here, gifts of recognition were meant to encourage participation. Other methods were more heavy-handed, and indicated the company's attitude that if you didn't give, you should have.

Some United Way campaigns also recognized giving with gifts. Several methods were fairly innocuous, such as being enrolled in drawings for prizes.

Fridays are dress-down days. Schedules are given out denoting every other one as "free". Those who do not make regular contributions are supposed to pay \$1.00 [to dress-down] on non-"free" days. Those who give regularly to the United Way are given stickers to wear on dress-down days.

In this situation, not only was recognition given to those who contributed to the campaign, but individuals who had not given were singled out through either their lack of dress-down or their lack of a sticker.

As the foregoing discussion illustrates, gifts served several functions in United Way and PAC fund drives. They could be a tool to encourage contributions, a method of recognizing employees' involvement, or a way to chastise employees for not giving. The important consideration here is that gift giving shaped the process used to solicit contributions. Therefore, it may impair an organization's attempts at social responsibility, particularly when used to single out or punish individuals based on their donations.

Excessive follow up. Solicitation attempts can occur along a spectrum of one shot per year to layered solicitation efforts. Layered efforts are becoming more common, both among PAC fund drives and United Way campaigns. In layered campaigns, extensive efforts are made to encourage giving through all levels of the organization. The campaign often starts with a kickoff letter, followed by group meetings, and then one-on-one solicitations.

PAC directors were concerned that one-on-one solicitations could be construed as coercive

and avoided chain of command solicitation. However, one PAC director felt that,

As long as people don't feel coerced in terms of their job, I think it is fair game to come at them as far as you can. And there, it is critical that the person coming at them not be a supervisor or somebody who can make a job decision relative to the employee, but be a colleague.

The important consideration in solicitation efforts for PAC managers was the relationship between solicitor and solicitee. The majority of PAC directors indicated their efforts were layered, and the drive built towards a campaign conclusion. The *number* of solicitation attempts was not significant, who solicited whom was.

Most United Way drives did not have the same concern regarding chain of command solicitations. Many respondents mentioned one-on-one solicitations between themselves and their supervisors. In fact, one employee believed management "is receiving compensation for the percent of employee involvement" because of the intensity with which funds were solicited. Layered campaigns, which take place over a period of time, could result in multiple solicitations. One respondent stated,

We were solicited a minimum of fifteen times per campaign to give. I resented it very much.

On the other end of the continuum, some companies solicited only once and did no follow-up. Here, the company "passed out United Way campaign literature – but that was all." In this situation, employees felt that "there was a push, but not a strong one." As a result, these employees expressed their belief that the decision to give was theirs, and that the company had no vested interest in where they placed their charitable donations.

We found that excessive follow up in any giving campaign can be considered intimidating and coercive. A company pledged to 100% giving (and there were a number of those in our United Way survey) could become extremely heavy-handed in its efforts to get employees' money. As a result, employees can become disgruntled by the giving process.

Compromised confidentiality. Maintaining confidentiality was an important consideration for PAC directors. It was their belief that lack of confidentiality in giving would result in coercion, thereby undermining the integrity of the PAC. Over the years, some companies had relaxed this stance, while others still believed it was essential that "supervisors not know who had contributed and who had not." For companies where confidentiality was considered essential, minimal efforts to solicit were the norm. Discussions were limited, and payroll deductions were not common.

For companies where confidentiality was less important, payroll deductions were encouraged and information was more available regarding who was giving to the PAC and who was not. These directors did not feel that lack of confidentiality in contributions to the PAC was a form of coercion. In fact, one PAC director noted that,

In the past we've been excruciatingly careful about not divulging anything to anybody. But we've moved away from that.

He felt that over-sensitivity to confidentiality only increased the costs of running a PAC fund drive, and that no harm would come if knowledge regarding who participated and at what percentage they participated was available to other employees.

However, some respondents believed it was harmful for an individual's giving to be made public. Individuals can perceive giving, rather than performance, as tied to promotions. An individual may feel an increased pressure to give if contributions are made public. As one respondent said, "no one wants to be the outlier". Therefore, making information on PAC donations public can be perceived as a form of coercion.

Confidentiality in giving is as important to United Way as to PAC donors. In fact, one United Way solicitee stated that,

just about everyone [in our organization] gives thinking they really needed to give in order to advance. Management says that [giving] is not considered in promotions, but no one seriously believes that.

This statement was echoed by other respondents, indicating that confidentiality in United Way giving was considered highly important to respondents. Those who felt that confidentiality was compromised felt more pressure to give and were angry at the experience. For those individuals who felt that their United Way campaign had been run confidentially, there was a more positive attitude towards the campaign and the company.

Outcomes of United Way and PAC campaigns

The third element of Wood's (1991) CSP model is outcomes. Outcomes of PAC and United Way campaigns are generally measured by the dollar amounts generated. Dollars generated appears to be a valid measure of corporate social performance in United Way campaigns, since these funds are used for activities widely considered to be socially responsible. However, as the prior discussion of principles and processes has already illustrated, outcomes of PAC and United Way fund-raising campaigns are multi-faceted. Companies contributing to United Way that actually receive United Way funding may be construed as self-serving rather than socially responsible. Analogously, PAC contributions which go to support company sponsored legislation would rank low on socially responsible outcomes.

Another outcome measure of these campaigns, which was examined to some degree earlier in this paper, is the employee satisfaction and education that occurs. For example, earlier in the paper we discussed certain PAC educational efforts. These educational efforts can result in a "good campaign", according to one respondent. Another noted that his company's PAC ran educational seminars

designed to . . . make people more politically aware. That has been very successful.

This particular manager measured his PAC's success by the number of employees attending political discussion seminars. In his opinion, political education was the goal of the PAC.

Similarly, United Way campaigns can have educational components. A United Way respondent elaborated on her company's educational efforts by noting that,

We had a representative from the United Way and a speaker came who had benefited from the agency. Afterwards, we fully supported the cause.

These educational efforts enabled employees to see how their dollars would be spent, and created a sense of ownership among employees. Thus, one outcome of a United Way campaign may be employees who are more sensitive and committed to helping their less fortunate neighbors. This outcome could be contrasted with United Way campaigns which, because of coercive tactics, actually create employees with a hostile attitude toward the less fortunate. For both United Way and PAC campaigns, there are at least two measures of CSP outcomes – dollar amounts donated and employee knowledge gained.

Validity in the measurement of CSP

The foregoing discussion has highlighted the importance of considering the multidimensionality of the CSP construct in terms of principles, processes, and outcomes. Next, the paper discusses the importance of providing scientific validity in the overall measurement of CSP. Table III provides a matrix which can be used to assess the validity of measures of CSP. The columns in the table refer to the principles, processes and outcomes from Wood's (1991) model. CSP is a multi-dimensional construct (Wokutch and Spencer, 1987) because it argues for the recognition of performance as relating to "the firm's societal relationships" (Wood, 1991, p. 693). These societal relationships are commonly referred to as stakeholder relationships and are illustrated by the rows in Table III.

The two major issues in assessing the appropriateness of measures of theoretical constructs are reliability and validity. Validity is the more complex of these issues, but is dependent on reliability. In other words, measures can only be as valid as they are reliable. These concepts have been discussed extensively by Kerlinger (1986)

TABLE III
Validity in the measurement of corporate social performance

	Principles	Processes	Outcomes
Stakeholder (A) (e.g. customers)	Prin (A)	Proc (A)	Out (A)
<i>Reliability</i>			
<i>Face</i>			
<i>Content</i>			
<i>Convergent</i>			
<i>Discriminant</i>			
<i>Criterion</i>			
<i>Construct</i>			
Stakeholder (B) (e.g. employees)			
<i>Reliability</i>			
<i>Face</i>			
<i>Content</i>			
<i>Convergent</i>			
<i>Discriminant</i>			
<i>Criterion</i>			
<i>Construct</i>			
Stakeholder (C) (e.g. owners)			
<i>Reliability</i>			
<i>Face</i>			
<i>Content</i>			
<i>Convergent</i>			
<i>Discriminant</i>			
<i>Criterion</i>			
<i>Construct</i>			
Stakeholder (D) (e.g. community)			
<i>Reliability</i>			
<i>Face</i>			
<i>Content</i>			
<i>Convergent</i>			
<i>Discriminant</i>			
<i>Criterion</i>			
<i>Construct</i>			
Stakeholder (E) (etc.)			
<i>Reliability</i>			
<i>Face</i>			
<i>Content</i>			
<i>Convergent</i>			
<i>Discriminant</i>			
<i>Criterion</i>			
<i>Construct</i>			

and Cook and Campbell (1979). As Kerlinger (1986) notes, reliability refers to “the *accuracy* or *precision* of a measuring instrument. . . . Synonyms for reliability are: dependability, stability, consistency, predictability and accuracy” (Kerlinger, 1986, pp. 404–405). The questions epitomizing reliability concerns are: Are the measures obtained from a measuring instrument the “true” measures of the property? Would the same result be obtained with different samples, or with different researchers? Reliability refers to the percentage of error in the measure. If the error measurement is high, then the measure would be considered unreliable, and vice versa.

Validity refers to the degree to which our measures measure what we think they are measuring (Kerlinger, 1986, p. 417). Validity deals with the degree to which our measurements accurately operationalize our theoretical constructs. As will be shown, while empirical tools exist to help us determine validity, in the end, it is primarily a judgment issue. Our reading of the empirical literature on CSP suggests that validity concerns have not been fully addressed (Davenport, 1995; Wood and Jones, 1995). A fairly casual approach appears to be the norm concerning the degree to which the measures of CSP employed are valid in terms of the theoretical definition of CSP provided (if even provided). Following is a discussion of the various types of validity and their relationship to measurement of CSP.

Content validity

“Content validity is the *representativeness* or *sampling adequacy* of the content – the substance, the matter, the topic – of a measuring instrument. Content validation is guided by the question: Is the substance or content of this measure representative of the content of the property being measured?” (Kerlinger, 1986, p. 417) We believe that sampling adequacy poses the largest problem with the validity of most measures of CSP.

Our research demonstrates that looking only at increases in United Way giving, for example, could result in erroneous CSP measures. The

construct of CSP in its current form suggests performance with regard to many stakeholders, and includes notions of principles, processes, and outcomes. To the degree that measures include all these construct dimensions, they are content valid. We argue that Clarkson’s (1995) approach currently comes closest to providing a content valid measure of CSP.

Face validity

Face validity refers to the extent to which experts in an area would ascribe validity to a measure they have encountered. Face validity concerns have been problematic for many writers on social responsibility. Many have ascribed social responsibility to companies based on public statements in annual reports, or statements made by corporate or public affairs officials. Had we looked only at PAC campaign literature, we too may have concluded a higher commitment to social responsibility than actually exists. While these items may be partial measures of CSP, and particularly CSP principles, one needs to be very careful in using them as complete measures of CSP. They don’t have face validity. One need not be an expert to know that actions and words are often highly divergent.

Criterion-related validity

Criterion-related validity refers to validity based on some criteria, believed to measure the attribute being studied. This type of validity is also referred to as predictive validity. Because so much disagreement occurs on what valid criteria for a “socially responsible company” would be, criterion-related validity is particularly difficult in studies of CSP. In our study, we suggested educational efforts as one criteria which had heretofore been neglected. Two leading contenders for the development of criteria would be social consensus or ethical principle.

Convergent validity

Convergent validity refers to the degree to which different data sources and different measurement schemes agree on their assessment of a construct. To be considered valid, agreement should be found between these different data sources and measurement schemes. Our United Way study, with both qualitative and quantitative data, provides the opportunity to look for convergent validity and underscored the need for multiple measures. Convergent validity is a powerful idea in our studies of CSP. Oftentimes, multiple methods are available for the measurement of one aspect of CSP. For example, principles of environmental management could be assessed by doing content analysis of corporate statements, by surveying top managers, and by looking at toxic release inventory data. Gephart (1991) illustrated such an approach in his use of multiple measures for tracking CSP.

Discriminant validity

Discriminant validity refers to one's ability to differentiate the construct under consideration from other related constructs. For example, researchers must be sure that they are measuring CSP, not corporate reputation or financial performance. Efforts to attain discriminant validity are essential to proper measure of the construct under review. One illustration of such an effort at attaining discriminant validity is the work performed by Brown and Perry (1994). By removing financial halo effects, they were able to differentiate between reputational aspects of CSP and firm reputation, a close cousin.

Construct validity

Construct validity refers to the degree to which a measure approximates the theoretical construct under consideration. Various techniques, including factor analysis and the multi-trait, multi-method matrix method exist to help in the establishment of construct validity. However, in the end, judgment suggests whether

or not the measure truly approximates the theoretical construct. Construct validity is concerned with scientific explanation, in contrast with scientific prediction. Because of a lack of a clear definition of CSP, construct validity has been very difficult to demonstrate in historical studies of CSP.

Discussion and conclusion

This paper has discussed the necessity of examining the validity of our measures of CSP, including incorporation of all three elements of Wood's (1991) model of CSP into its measurement. Using just one element can give one a skewed view of the true social responsibility of a company.

As noted by Wood (1991, p. 693):

. . . the researcher would examine all these elements – principles, processes, and outcomes – in conjunction with each other to permit identification of analytically crucial but politically difficult results such as good outcomes from bad motives, bad outcomes from good motives, good motives but poor translation via processes, good process use but bad motives, and so on. . . .

The two studies described in this paper provide vivid descriptions of just such crucial results. Therefore, unless we incorporate all three elements, we are in grave danger of having our assessments discounted.

If the principles do not support these actions, can we truly call the company socially responsible? In South Africa, many companies had socially responsible outcomes and some socially responsible processes when they were pressured by the United States. However, at the end of apartheid, only those companies that truly believed in the principles underlying those processes and outcomes continued to perform to the same degree on these dimensions. Those companies whose principles did not support those actions at the time quickly reverted to their old ways.³

Instead of using inadequate measures of CSP, we propose that researchers develop a plethora of constructs, such as environmental performance

(Soderstrom, Illinitch and Thomas, 1995), corporate philanthropy, corporate crime, community satisfaction, customer satisfaction, employee satisfaction, etc. Many of these already exist and are used properly. However, all too often only one of these measures is used, and it is called CSP. For example, a recent study of CSP used customer complaints to the Federal Aviation Administration (most of which are driven by lost baggage) as its measure of CSP. While this is certainly an important measure of customer satisfaction, and could very well be included in a general model of CSP, it lacks validity as a measure of CSP. By using a finer-grained approach, we will be able to discover what Wood (1991, p. 693) terms “analytically crucial but politically difficult results.”

Valid measures of CSP are important not only in and of themselves, but become increasingly important as we attempt to move from simple measurement of the construct itself to testing of theories involving CSP and other constructs (e.g. Turban and Greening, 1996; Paul, Zalka, Downes, Perry and Friday, 1997). For example, if researchers were to hypothesize a positive relationship between CSP and employee commitment to charity, and operationalize CSP as the total dollar amount from a United Way campaign, they might be surprised to find a negative relationship. Without looking at process, they might miss the coercion driving the high dollar amount, and draw incorrect conclusions.

This paper has argued that such misinterpretations are likely without consideration of all three elements of Wood's (1991) model of CSP. Thus, potential measures of CSP should be examined in light of this model, as well as the validity criteria set forth earlier in the paper (illustrated in Table III). Developing and using valid measures of CSP, as well as other dimensions of CSP, will lead to more compelling science and better public policy.

Notes

* An earlier version of this paper was presented at the Social Issues in Management Division of the Academy of Management.

¹ PACs were established in 1979 by the United States Government. These vehicles are used by companies to solicit funds from employees, which are then donated to politicians (to support their campaigns) or political parties. These funds replace contributions formerly donated by companies which were derived from company profits.

² The United Way is an umbrella organization. It obtains funds and then distributes them to a large number of philanthropic organizations. Many U.S. companies donate employee and corporate funds to the United Way to support its charitable programs.

³ Thank you Oliver Williams for providing this insight.

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