THE IMPACT OF GENDER COMPOSITION ON

CORPORATE SOCIAL RESPONSIBILITY

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ABSTRACT

In an economy where investors become increasingly conscious of social and environmental issues, businesses have begun to incorporate corporate social responsibility into their strategic models. This paper will define corporate social responsibility and discuss the factors attributing to the increase in corporate social responsibility. Specifically, I will discuss how gender composition of boards of directors affect companies' overall willingness to take on environmental and socially conscious projects and provide a global overview of the topic. In addition, I will address the main factors that differentiate a women's decision-making process from a man's and the main obstacles that women face in integrating into corporate boards.

WHAT DEFINES CORPORATE SOCIAL RESPONSIBILITY (CSR)?

Conceptually, socially responsible investing dates back for over two hundred years when religious groups avoided investing their money in war, slavery, or "sin stocks" – those companies in the alcohol, tobacco, and gaming industries (Schueth, 2003). However, in the past three decades corporate social responsibility has risen as a competitive advantage for many companies. Corporate social responsibility (CSR) is a business strategy that a company initiates by integrating a form of corporate self-regulation into their business and is often defined in a variety of ways. Because I will be discussing corporate social responsibility in the United States and abroad, CSR will be defined as interpreted by the United Nations Industrial Development Organization (UNIDO); the specialized agency of the United Nations that promotes industrial development, inclusive globalization, and environmental sustainability. UNIDO states that CSR is "a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders," (UNIDO, 2015).

In the modern business world, consumers are looking for more than just high-quality products when they make a purchase. They are also prioritizing corporate social responsibility, and holding corporations accountable for effecting social change with their business practices and operations. According to a 2016 PXC Global CEO survey, 64% of CEOs say that "corporate social responsibility is core to their business rather than being a stand-alone program" (Horoszowski, 2017). Because of this increasing number of firms behaving in a socially responsible manner across the globe, it is important to study its key influencers and effects on the modern business world. This thesis will discuss the various screens utilized to define whether a company is socially responsible and the leading factors contributing to this consumer-driven phenomenon, specifically the correlation between a woman's presence on corporate boards and the corporation's willingness to invest in socially and environmentally conscious projects.

ARE WE SEEING AN INCREASE IN CORPORATE SOCIALLY RESPONSIBILITY?

The market share of sustainable investment has increased exponentially in the past decade. In the United States, socially responsible investment assets increased 33 percent since 2014 (USSIF, 2017). Therefore, there are increasing opportunities available for investors in recent markets. Specifically, Joshi, Flensborg, and Liberatore argue that, "given the population growth and the increasing demand for an ever-diminishing supply of clean water," there exists tremendous opportunities to generate revenue from sustainable investments in natural resources (Joshi, 2013). In addition to corporate stocks, the authors argue that securitization in markets for sustainable fixed-income assets is necessary and will continue to grow in the next couple of years (Joshi, 2013).

As consumers become increasingly educated and environmentally conscious, companies find themselves forced to incorporate sustainable practices. The overall social investment industry in the U.S. "grew twice as fast as the broader market of professionally managed investment assets between 2102 and 2016 with a 238 percent growth rate versus market growth of 133 percent during the same four-year period" (USSIF, 2017). Today, consumers and investors strongly believe that corporations should not be judged just on their economic success as they are " … no longer expected to be mere contributors to the global economy, but rather to reconcile and skill-fully balance multiple bottom lines and manage the interests of multiple stakeholders" (Jamali, 2008).

FACTORS ATTRIBUTING TO THE INCREASE IN CSR

James Mallett and Stuart Michelson argue that the impressive growth of the social investment industry is a consumer-driven phenomenon lead by the following three factors: a shift in consumer preferences, the integration of women in financial investments, and the competitive investment returns offered (Schueth, 2003). I will discuss each factor in detail, with particular attention given to how women's integration into the labor market in top management positions has positively impacted the growth of corporate social responsibility.

SHIFT IN CONSUMER PREFERENCES

The increasing availability of information has allowed individuals to become more proactive than in previous decades and has resulted in large-scale changes in consumer behavior. Today, consumers are more willing to take initiative on behalf of their and the environment's well-being, even if they must pay premium prices. In a survey conducted amongst American investors, Meir Statman demonstrated that most socially responsible investors invest as they do mostly to align their personal values with their investments, but also with hopes of changing the world (Statman, 2008). Thus, many consumers are acting proactively, even progressive in their approaches. According to Mercer Investment Consulting, 46% of institutional investors consider environmental, social, and corporate governance when making investment decisions (Bear, 2010). Millennials and Baby Boomers have redefined the existing social and cultural environment they live in through their personal choices and preferences. Because of this increase in conscious consumers and investors, corporate boards and management departments have become more willing to invest in socially responsible projects. With easily accessible information, primarily due to innovating technology, more investor and consumers have the ability to understand the social and environmental footprints of products and have held various firms accountable to their impact on the community.

Integration of women

Another key driver of corporate consciousness, perhaps one of the most influential ones, is the integration of women into corporate boards. As women begin integrating into the labor market, their differing inherent communal traits, decision-making process, and stakeholder prioritization contribute key elements that promote social responsibility and sustainability into a corporate board. Because this factor will be the focus of this thesis, it will be discussed more extensively later in this paper.

Competitive Investment Returns

In addition to a shift in consumer preferences and gender diversity in boards, firms have been encouraged to become more socially conscious due to the competitive returns that CSR projects provide. According to Meir Statman, most investors believe they should not have to sacrifice any returns to have a portfolio that is consistent with their values (Statman, 2008). Therefore, this sustainably movement has continued primarily due to the financial success and competitive advantage that several corporations experience. As Joseph F. Keefe notes, CSR does not occur until "environmental, social, and governance factors are incorporated into financial analysis" (Mallet, 2010). The following paragraphs will dive deeper into this aspect of socially responsible companies and summarize the results of various studies conducted on the topic. The findings seem to support social investors' view that the adoption of corporate social responsibility can help diminish the overall business risk of a company, and even improve its long-term risk-adjusted performance.

Social responsibility is a quality difficult to quantify. However, scholarly efforts to quantify a qualitative trait have resulted in primarily utilizing the following list of CSR companies to identify socially responsible firms: Kinder Lydenberg Domini Index (Domini Social Index), Calvert Social Index, and the *Global 100 Most Sustainable Companies*. The exclusive and inclusive screens and constituents of each will be discussed below.

The Domini Social Index(DSI) is an index of stocks of socially responsible companies that was initiated in May 1990 by Kinder, Lydenberg, Domini and Company. The DSI is a capitalization-weighted index modeled on the S&P 500 Index. The exclusionary screens that eliminated companies from the DSI where companies that derive two percent or more of their sales from military weapon system, alcohol, tobacco, or gaming products. The screen that eliminated companies with equity interests in South Africa was dropped in 1993.

In 2010, the Domini 400 Social index was renamed the MSCI KLD 400 Social Index and is composed of companies that have positive environmental, social, and governance (ESG) characteristics. Similar to its parent, the MSCI KLD is maintained in two stages. First, securities of companies involved in nuclear power, tobacco, alcohol, gambling, military weapons, civilian firearms, genetically modified organisms, and adult entertainment are excluded. Then additions are made from the list of eligible companies based on considerations of ESG performance, sector alignment, and size representation. Specifically, the ESG characteristics include an environmental criterion that looks at a company’s energy use, waste, pollution, natural resource conservation, and animal treatment. The social criterion looks at a company’s relationships with its suppliers, community, and employees’ health, and for governance, the criterion includes whether or not a company uses accurate and transparent accounting methods, and allow common stockholders to vote on important issues.

The second benchmark, the MSCI KLD 400 Social Index, profiles companies applying both positive and negative social investing criteria and presents its findings in formats specifically designed for investment portfolio managers. Each KLD review covers a company's strengths and failings in nine major social areas: the environment, military contracting, employee relations, community involvement, product safety, quality programs, excessive compensation of executives, diversity, and nuclear power. It’s top ten constituents as of February 2018 are shown below:

Figure I: Top 10 Constituents of the MSCI KLD 400 Social Index

TOP 10 CONSTITUENTS

	Index Wt. (%)	Parent Index Wt. (%)	Sector
MICROSOFT CORP	5.89	2.41	Info Tech
FACEBOOK A	3.75	1.54	Info Tech
ALPHABET C	3.10	1.27	Info Tech
ALPHABET A	2.99	1.22	Info Tech
INTEL CORP	1.92	0.78	Info Tech
VERIZON COMMUNICATIONS	1.87	0.76	Telecom Srvcs
PROCTER & GAMBLE CO	1.87	0.76	Cons Staples
CISCO SYSTEMS	1.76	0.72	Info Tech
COCA COLA (THE)	1.63	0.67	Cons Staples
ABBVIE	1.52	0.62	Health Care
Total	26.30	10.75	

Source: www.msci.com

Following the success of the Domini Social Index, the Calvert Social Index was created by Calvert Investments as a benchmark of large companies that are considered socially responsible. It currently consists of 680 companies, weighted by market capitalization, selected from approximately 1,000 of the largest publicly traded companies in the United States using social criteria related to the environment, workplace issues, product safety, community relations, weapons contracting, international operations, and human rights. Its top ten holdings also include companies primarily in the information technology sector and share similar constituents as shown on Figure 1 in the MSCI KLD Index including Microsoft Corp, Facebook, and Procter & Gamble Co (Klein, 1991).

The third and final benchmark is the Global 100 Most Sustainable Companies, an annual ranking of the world's most sustainable corporations compiled by investment advisory firm Corporate Knights. The Global 100 was created in 2005 with the goal to devise a methodology to quantitatively compare and rank the world's largest public companies. The Global 100 considers all firms with a market capitalization of at least $2 billion dollars and then are put through numerous screenings to test for key information including; sustainability disclosure rate, financial stability, and fines, penalties or settlements paid out by the company for sustainability related violations. Companies in the Global Industry Classification Standard(GICS) sub-industry categories of tobacco and those engaged primarily in defense are automatically eliminated.

The initial screening process culminates in the Global 100 list. At this point, companies are compared on priority key performance indicators (KPIs), according to GICS sector. Priority indicators are chosen based on the percentage of firms in the sector who disclose the indicator. Failure to disclose a priority KPI results in a zero, thus, severally punishing firms for non-disclosure. The Global 100 Index then finalizes its list, which is often recognized as a leader in transparency and best practices for sustainability rankings. The Index's top constituents are shown below:

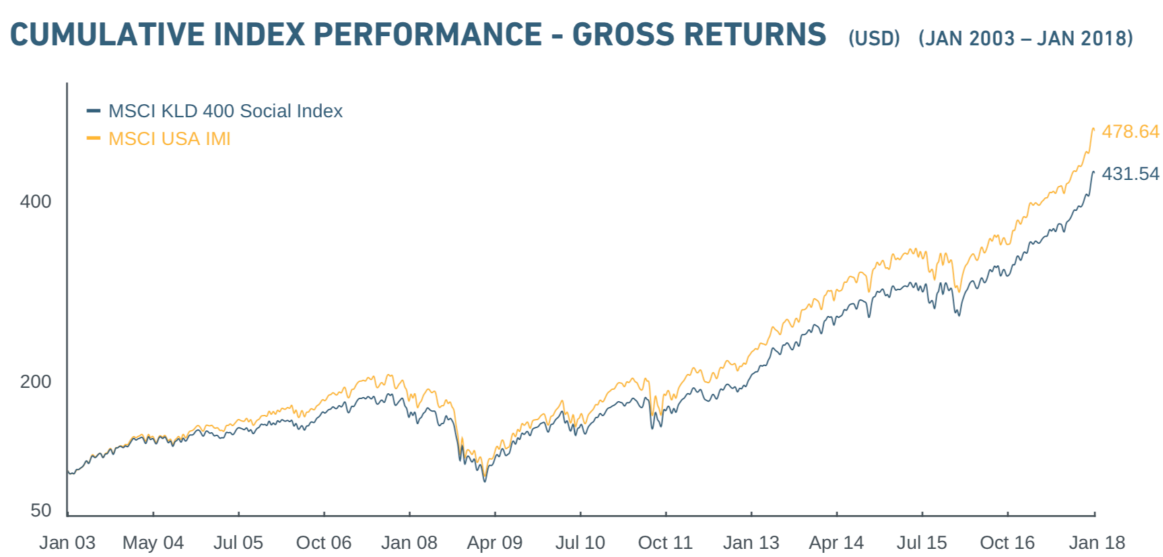
Figure II: Top 20 constituents of the Global 100 Most Sustainable Companies list for 2018

Rank	Company	Country	GICS Industry	Overall Score
1	Dassault Systemes	France	Software	86.10%
2	Neste	Finland	Oil, Gas & Consumable Fuels	85.20%
3	Valeo	France	Auto Components	83.60%
4	Ucb	Belgium	Pharmaceuticals	79.50%
5	Outotec	Finland	Construction & Engineering	78.30%
6	Amundi	France	Capital Markets	77.80%
7	Cisco Systems	United States	Communications Equipment	77.00%
8	Autodesk	United States	Software	76.90%
9	Siemens	Germany	Industrial Conglomerates	76.70%
10	Samsung SDI	South Korea	Electronic Equipment, Instruments & Components	75.80%
11	Aareal Bank	Germany	Thrifts & Mortgage Finance	75.40%
12	Enbridge	Canada	Oil, Gas & Consumable Fuels	74.90%
13	Merck	United States	Pharmaceuticals	74.30%
14	Natura Cosmeticos	Brazil	Personal Products	74.10%
15	Pearson	United Kingdom	Media	73.90%
16	Amadeus IT Group	Spain	IT Services	73.20%
17	Bayerische Motoren Werke	Germany	Automobiles	73.20%
18	Companhia Energetica de Minas Gerais CEMIG	Brazil	Electric Utilities	73.00%
19	Koninklijke Philips	Netherlands	Industrial Conglomerates	72.50%
20	Allergan	United States	Pharmaceuticals	72.20%

Source: www.corporateknights.com

Now that CSR criteria has been discussed, let's review the financial performance of these companies. To begin, I will review the performance of the MSCI KLD Index compared to its benchmark on a risk-adjusted basis. This means that gross returns are compared after considering the amount of risk that an investor took on for an investment. For example, if two investments have the same return over a given time period, the one with the lowest risk will have the better risk-adjusted return. Figure III shown below depicts the risk adjusted returns since May 31, 1994. The graph shows that the MSCI KLD Social Index has returned 10.29%, which is 0.09% higher than its index (Klein, 1991). Thus, comparing both returns it is evident that socially responsible companies are able to perform just as well, if not better, than their non-socially responsible counterparts. Figure 1 in the appendix breaks down a year-to-year return comparison.

Figure III: Cumulative Index Performance



Source: www.msci.com

In a different effort to quantify the success of socially responsible companies, Yacine Belguitar, Clark Ephraim and Nitin Deshmukh publish a study in The Journal of Financial Research. The authors utilize a complex methodology, specifically the marginal conditional stochastic dominance (MCSD) as well as the mean, the variance, and the Carhart four-factor model to measure performance of actively managed investments. This methodology allows the authors to account for the risk-adjusted returns and to calculate the excess returns reflected in alpha. Since, asset returns are generally not normally distributed, their model accounts for the returns far from the mean. Under the general assumption that investors are risk averse, MCSD provides the probabilistic conditions under which all risk-averse investors prefer one risky asset to another. Using MCSD, the authors find that both the socially responsible investment funds and the sample of matched conventional funds outperform the market index about 50% of the time. Again, this proves that corporate investments made towards sustainability provide competitive returns.

In addition to investigating gross returns, I will now discuss whether or not CSR can help diminish the overall financial risk and volatility of a company. Utilizing the MSCI KLD and Calvert Social Index, two studies investigate the performance of both indexes during economic fluctuations in the economy.

Specifically, Elizabeth Webb concludes that there exists a statistically significant difference between socially responsible and non-socially responsible firms for ten of seventeen governance structure variables (Webb, 2004). In particular, her results indicate that socially responsible firms have a significantly larger percentage of women on the board (13%) than do non-socially responsible firms (8%) (Webb, 2004). Webb then continues to argue that this diversity increases a board's effectiveness, and subsequently increases shareholder value which leads to the discovery that SR firms have more effective governance structures than their non-SR counterparts. This results in higher returns and less volatility during economic downturns.

On the other hand, this conclusion is challenged by Belghitar, Clark, and Deshmukh. Their study suggests that socially responsible investment funds perform better in the pre- and post-crisis periods but underperform during the crisis period (Belghitar, 2017). This explains why the MCSD results differ so markedly from the mean-variance results discussed earlier; the mean-variance approach fails to capture the effects of non-normality in the return distributions documented above that are reflected in the higher moments, such as skewness and kurtosis. In detail, skewness is a measure of the asymmetry of the probability of distribution of a real-valued variable and kurtosis the probability of a variable falling outside of its normal distribution tails. Because of the different conclusions by both reliable studies, it is unclear whether a CSR company will outperform or underperform during economic downturns.

In addition to a shift in consumer behavior and competitive returns, the Republican tax reform passed on December 20, 2017 has had a monumental effect on a company's willingness to invest in socially and environmentally responsible projects. Many companies have taken this opportunity to give back to the community and its employees. For example, Walmart and Boeing are rewarding their employees and shareholders with bonuses in response to the historic tax reform legislations and Walmart has also decided to extend maternity and parental benefits for workers that took effect in

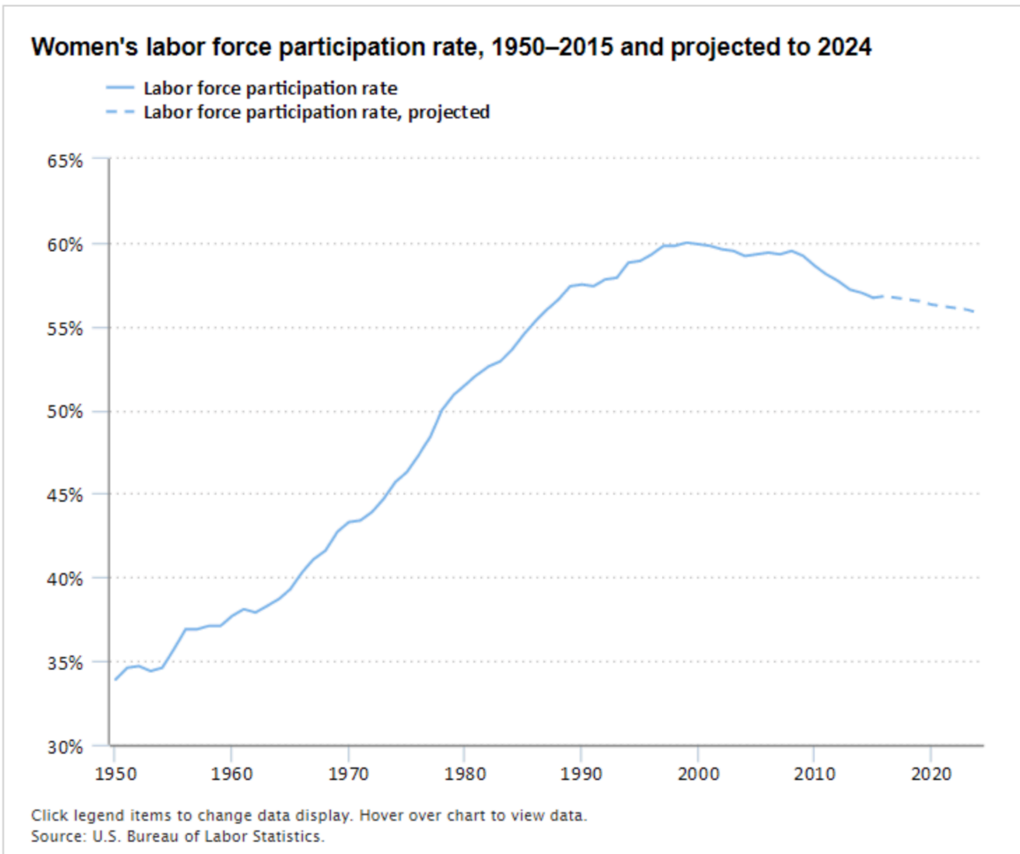
February. Similarly, Cisco Systems said it would bring back billions of dollars in overseas cash to the Unites States, Anthem Inc. contributed retirement savings for more than 58,000 current and former employees, and the Indianapolis-based health insurance company said its associates and recent retirees will receive $1,000 toward their 401(k) accounts, for a total investment of more than $58 million. Amongst other efforts, the *Wall Street Journal* also reported that BNY Mellon will raise minimum wage to $15 per hour and utilize tax savings for technology upgrades in their company. This movement has proven that companies are increasingly aware of importance of sustainability.

Another influential factor to CSR is the gender composition of the decision-makers of a company. Demonstrated by various studies on the topic, notably Carol Tilt's, Kathyayini's and Gaurav Dawar's research, the integration of women on the board of directors has a positive correlation on instances of corporate social responsibility. Therefore, as we see women increasingly participating in the work force, we should expect CSR to continue to grow substantially in the years to come. I will continue this discussion by describing the characteristics that women contribute to a corporation's board of directors, differences in decision-making processes compared to men, obstacles faced by women in the business world, and a brief international view of the topic.

WOMEN DIRECTORS AND CORPORATE SOCIAL RESPONSIBILITY

A major factor that contributed to the growth of CSR in the second half of the twentieth century was the remarkable increase in the labor force participation rate of women. According to the U.S. Bureau of Labor Statistics, the labor force participation rate of women increased throughout the 1960s, 1970s, and 1980s, and peaked at 60 percent in 1999. Since the peak, the women's labor force participation rate, which historically offset the decline in the men's participation rate, has been decreasing as seen in Figure IV. This could be a result of Baby Boomers reaching retirement age and exiting the workforce. In fact, the Bureau of Labor Statistics estimates that this rate will continue to decline to 55.8 percent in 2024.

Figure IV: Women's Historic and Projected Labor Force Participation Rate



Due to the increase in the participation rate of women, the gender gap has significantly narrowed in the past several decades. In 1950, men made up more than two-thirds of the labor force; however, the gender gap is projected to be narrowed to just 5.6 percentage points in 2024 (Bureau of Labor Statistics, 2017). As labor market barriers to women have decreased, the benefits of a college education have grown more for women than men (Bureau of Labor Statistics, 2017). Thus, even though college enrollment rates among young people have risen in recent decades, a Pew Research Center analysis of U.S. Census Bureau data shows that females outpace males.

The data demonstrates that women are a force to be reckon with as they begin comprising a significant portion of the labor market. We can conclude that the increase in women participation in the workforce and their education will result in an increase in women directors in corporations. This is of significance as various scholars, including Corinne Post, Noushi Rahman, and Emily Rubow, argue that female representation on boards of directors appear to have minimal impact on governance effectiveness unless a critical mass of at least three women are present on the board (Post, 2011). Therefore, as we see an increase in women participation, we can expect an increase in CSR.

A WOMAN'S DECISION-MAKING PROCESS

Seeing an increase in women's participation in the labor market, specifically participation in a corporation's leadership team, leads to the following discussion of differences in leadership styles and traits brought by women compared to their male counterparts. The results demonstrate that, although still a relatively small number, having women on boards does exert a positive influence on non-financial performance and in particular corporate social responsibility. These results are often attributed to two major strengths: increased sensitivity and participative decision-making styles brought by the women to the board.

More specifically, a study published by Krüger indicates that companies with a higher percentage of female directors tend to be more generous towards communities and pay more attention to the welfare of a firm's natural stakeholders, indicating that stronger presence of board members with altruistic preferences does translate into more pro-social corporate behavior (Krüger, 2009). In addition, Bernardi and Threadgill investigate and further confirm that there exists a positive correlation between the number of female directors on a corporate board and the incidence of corporate social behavior, specifically charitable giving, community involvement and employee benefits (Bernardi, 2010). This demonstrates that there exists a correlation between family friendly benefits and female directors.

Similarly, in a study published by the *Business and Society Journal*, Corinne Post reveals that the increasing female representation also has an effect on a company's direction, particularly moral reasoning and ethical behavior (Post, 2011). The evidence suggests that women are more effective at solving problems and combating ambiguity, conflict, and uncertainty. This is because women possess more communal traits, such as kind, sympathetic, interpersonally sensitive, nurturing, and concerned about other's welfare (Setó-Pamies, 2013). Thus, we are able to see that a higher presence of women directors on the board increases corporate charitable giving in the areas of community services, arts, and cultural activities. Setó-Pamies argues in his article "The relationship between women directors and corporate social responsibility" that boards seeking a higher social responsibility in their company should recruit more women to engage in areas of employee development and community involvement (Setó-Pamies, 2013).

To dive deeper into a women's business communication characteristics, I will discuss Professor Geert Hofstede's Index. Hofstede conducted one of the most comprehensive studies of how values in the workplace are influenced by culture, often referred to as the Hofstede Index. In summary, the study identifies and ranks countries based off six factors: power distance, individualism vs. collectivism, uncertainty avoidance, masculinity vs. femininity, long-term orientation vs. short-term orientation, and indulgence vs. restraint. His intense study of cross-cultural communication further proves that women's presence in a corporation's decision-making process will result in a socially, environmentally conscious direction. The masculinity vs. femininity factor is best summarized by the Figure V presented below:

Figure V: Hofstede Index: Masculinity

Traits of Masculinity / Femininity

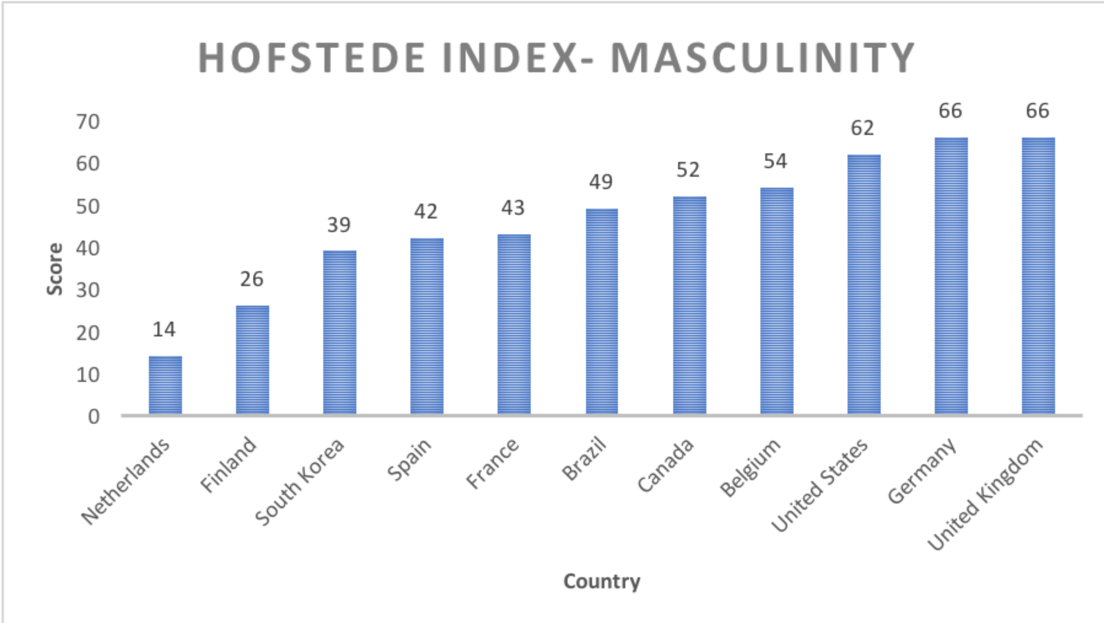
	High Masculine	**Low Masculine (Feminine)**
social norms	ego oriented	relationship oriented
	money and things are important	quality of life and people are important
	live in order to work	work in order to live
politics and economics	economic growth high priority	environment protection high priority
	conflict solved through force	conflict solved through negotiation
religion	most important in life	less important in life
	only men can be priests	both men and women as priests
work	larger gender wage gap	smaller gender wage gap
	fewer women in management	more women in management
	preference for higher pay	preference for fewer working hours
family and school	traditional family structure	flexible family structure
	girls cry, boys don't; boys fight, girls don't	both boys and girls cry; neither fight
	failing is a disaster	failing a minor accident

Source: www.hofstede-insights.com

GLOBAL INTEGRATION OF WOMEN IN TOP MANAGEMENT POSITIONS

The Hofstede Index is a quantifiable measure to compare a country's willingness to incorporate women into leadership roles as decision-makers. Thus, I decided to take note of the top countries listed on the *Global 100 Index* to indicate whether the most socially and environmentally responsible companies listed this year were found in countries with more feminine traits. I utilized the data provided by the Hofstede Insights official website. My results are summarized in Figure VI.

Figure VI: Hofstede Index Rankings for Socially Responsible Companies



As depicted in the bar graph, nearly all the countries with higher instances of socially responsible companies according to the *Global 100 Most Sustainable Companies*, rank lower in the Hofstede Index, meaning it is characterized with more feminine traits.

In addition to sociocultural traits, many European countries have recently established minimum quotas for female representation on boards in publicly traded companies. Several countries have started adopting either legislative or voluntary initiatives to promote female representation on corporate boards. This includes, for example, Norway (40 % gender quota for female directors or risk dissolution), Sweden (25 % voluntary reserve for female directors or threat to make it a legal requirement), Spain (law requiring companies to reach up to 40 % female directors by 2020), France (law which requires 50 % gender parity on the board of every public firm) and more recently Italy (law requiring listed and state-owned companies to ensure one-third of their board members is female by 2018) (Hafsi, 2013).

OBSTACLES WOMAN FACE IN INTEGRATING INTO CORPORATE BOARDS

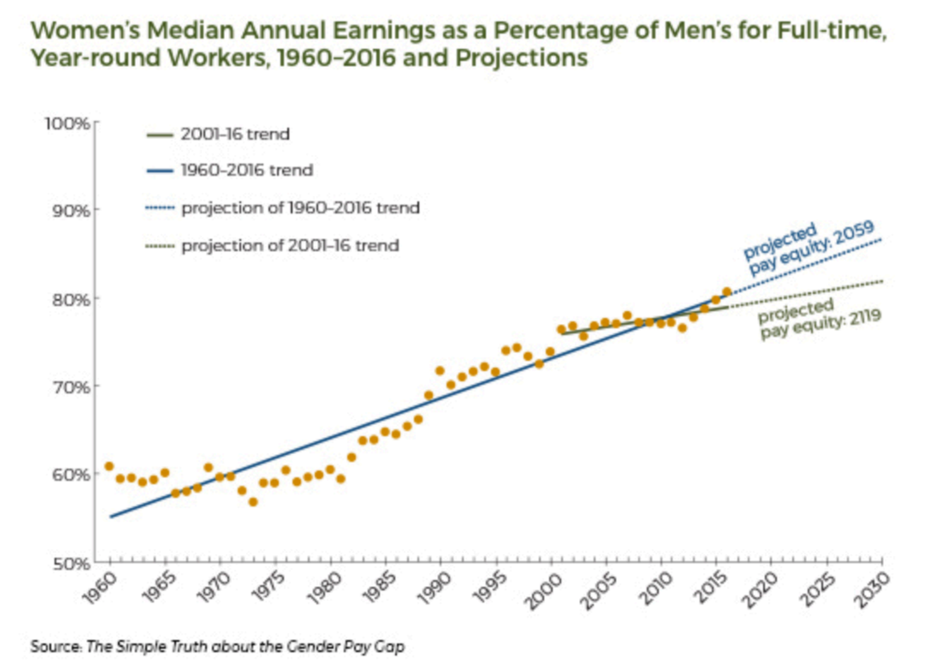
Although, most of the discussion has focused primarily on the positive influences that have given women leverage to participate on boards, it is also important to discuss the obstacles that women must face in the business world. The following paragraphs will discuss the obstacles that men and women consider to be the most common barriers women face on corporate boards; the obstacles fall under three categories: institutional, social, and organizational.

An evident obstacle are the social impacts of integrating women onto boards. In his argument, Kruger addresses the major barriers that women in top-level positions often face, including discrimination or a stereotyping challenge which restricts their ability to fully contribute to a corporate strategy. Women in these hostile environments are often seen as weak and their opinions are often dismissed. In male-dominating workplace women are often victims of sexual assault. Interestingly, Kruger also argues that many women who pursue management careers usually reject feminine stereotypes and may be more likely to have needs, values and leadership styles similar to men.

Additionally, Setó-Pamies also discusses the obstacles that prevent women from attaining top management positions. In a survey conducted in his research, he concludes that women perceive the main obstacles to be: masculine stereotypes, exclusion from informal networks, and the existence of a hostile business culture (Setó-Pamies, 2013). On the other hand, data showed that male directors perceived the main obstacle to be the lack of management experience, probably due to women's recent integration into leadership roles in companies (Setó-Pamies, 2013).

In addition to social barriers, corporations may have institutional and organizational practices in place that prohibit a woman from expressing her opinion on corporate boards. Institutional and organizational factors, such as gender equality, sociopolitical environment, lack of networks and the gender wage gap can have a significant influence on the integration of women on boards. The American Association of University Women (AAUW) released a book demonstrating that women working full time in the United States were typically paid just 80 percent of what men were paid (AAUW, 2016). Although, the gap has narrowed since the 1970s, due largely to women's progress in education, workforce participation and to men's wages rising at a slower rate, that still is a 20 percent gender wage gap. At the rate of change between 1960 and 2016, AAUW predicts that women are expected to reach equal pay in 2059 as depicted on Figure VII (AAUW, 2016).

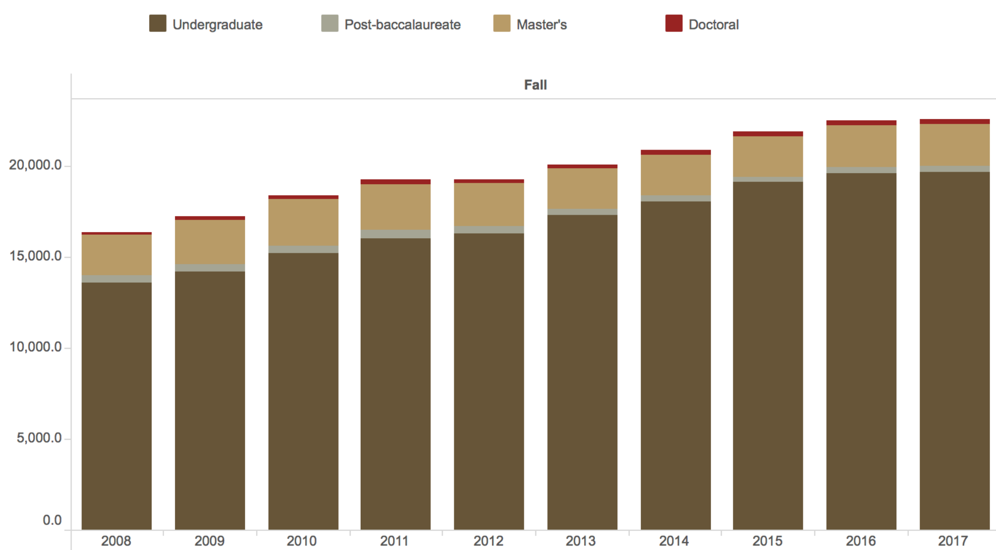
Figure VII: Gender Wage Gap



PROSPECTIVE APPROACH TO SR COMPANIES

As economists Bernardi notes, “Women either control or influence nearly all consumer purchases, so it’s important to have their perspective represented on boards” (Bernardi, 2010). Corporate social responsibility has grown at an exponential rate for the past three decades and is expected to continue its growth; therefore, we should expect women’s participation in a corporation’s board composition to continue its growth. Although, sustainable projects were once seen as a competitive advantage, large market capitalization firms often times have no choice but to incorporate socially responsible investments as conscious investors and consumers continue to grow with the fast pace of easily accessible information and technology.

Figure VIII: Texas State University Women Enrollment



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
	Fall	Fall	Fall	Fall	Fall	Fall	Fall	Fall	Fall	Fall
Grand Total	**16,321**	**17,220**	**18,379**	**19,224**	**19,254**	**20,068**	**20,852**	**21,860**	**22,485**	**22,556**
Undergraduate	13,586	14,199	15,156	16,013	16,289	17,247	18,020	19,086	19,568	19,640
Post-baccalaureate	357	362	443	483	387	344	339	298	319	300
Master's	2,222	2,455	2,553	2,496	2,325	2,228	2,231	2,219	2,327	2,322
Doctoral	156	204	227	232	253	249	262	257	271	294

Source: https://public.tableau.com/views/TXSTEnrollmentExplorer/SelectStudents

Because of the discussion, I predict business school enrollment, specifically business management degrees for women, will continue to grow in the future. Specifically, Figure VIII above demonstrates that the enrollment of women at Texas State University has increased at a diminishing rate from 16,321 women enrolled in 2008 to 22,485 in 2016. Also, we should expect an increase in employment opportunities for women in top management positions. Thus, corporate social responsibility will be on the front burner for an increasing number of companies in the next couple of years. In part, it will be due to the equality and environmentally conscious movement driven in society, but also due to the increasing percentage of female college graduates and their increasing presence in the work force.

Implications for Future Research

Due to the various factors discussed above, the nature of organizations and their relationship with stakeholders has been evolving and now required boards to "move forward from the traditional role of controlling the management, towards a much more proactive role"

(Hung, 2011). In other words, boards' roles and responsibilities have been extended from the traditional shareholder-centric one to encompass various stakeholders. This paper proposes that further research linking gender composition with CSR, in particular the CSR decision making process, is required to gain thorough understanding of gender influence on CSR. This could include interviews, case studies and longitudinal studies to enrich our knowledge of the complex interactions that take place on boards and in organizations. Similarly, this paper has identified a gap in the literature concerning the financial performance of socially responsible firms pre-and-post economic crisis. Thus, I propose that further research reach a consensus concerning the performance of socially responsible companies during these times.

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APENDIX

Graph 1:

CUMULATIVE INDEX PERFORMANCE - GROSS RETURNS (USD) (MAR 2003 – MAR 2018)

ANNUAL PERFORMANCE (%)

Year	MSCI KLD 400 Social Index	MSCI USA IMI
2017	21.61	21.28
2016	10.92	12.66
2015	0.94	0.64
2014	12.72	12.51
2013	36.20	33.39
2012	13.24	16.41
2011	1.60	1.23
2010	11.89	17.17
2009	31.73	28.72
2008	-34.94	-36.98
2007	3.72	5.78
2006	13.26	15.70
2005	3.00	6.41
2004	10.31	12.32

INDEX PERFORMANCE — GROSS RETURNS (%) (MAR 30, 2018)

					ANNUALIZED			
	1 Mo	3 Mo	1 Yr	YTD	3 Yr	5 Yr	10 Yr	Since May 31, 1994
MSCI KLD 400 Social Index	-2.07	-0.08	14.67	-0.08	10.30	13.05	9.78	9.94
MSCI USA IMI	-2.01	-0.61	13.84	-0.61	10.30	13.08	9.76	9.86

FUNDAMENTALS (MAR 30, 2018)

Div Yld (%)	P/E	P/E Fwd	P/BV
1.84	23.70	17.73	3.96
1.88	24.45	17.17	3.09