

THE HONG KONG POLYTECHNIC UNIVERSITY DEPARTMENT OF MANAGEMENT AND MARKETING

Departmental Research Seminar

Should Birds of a Feather Flock Together: How Public Criticism Shapes Pressures for Sustainability Conformity and Differentiation

By

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Date : 16 Dec 2024 (Mon)
Time : 10:30 am – 12 noon
Venue : GH120c, PolyU

Abstract

While firms are facing increased pressure from investors to engage in Environmental, Social, and Governance (ESG) practices, it is less clear how they should engage given the wide and varied scope of sustainability. Drawing on optimal distinctiveness and social evaluations research, we argue that depending on the extent of public criticism directed toward an industry, organizations are likely to face oscillating pressures from investors to both conform with and deviate from industry sustainability norms. Using a dataset of 8,176 global companies from 2013 to 2022, we find that although firms that conform with normative ESG practices benefit from positive investor evaluations, once industry peers' public criticism accumulates, ESG practice differentiation is rewarded. These effects are further shaped by the level of within-industry sustainability practice diversity.

Prof. Matthew Grimes is Professor of Entrepreneurship and Sustainable Futures at the Judge Business School. Prof. Grimes's research interests include entrepreneurship and sustainable development. He examines how individuals and organisations create, introduce, and sustain positive social change by way of entrepreneurship by studying both the contextual and individual factors that contribute to innovation and the governance of innovation. He is a member of the Organisational Theory and Information Systems subject group at Cambridge Judge Business School, Academic Co-Director of the Cambridge Judge Entrepreneurship Centre, and current Associate Editor at the *Academy of Management Journal*. He also serves on the editorial review boards of *Academy of Management Review* and *Journal of Business Venturing*. He previously served on the editorial review boards for *Administrative Science Quarterly*, *Entrepreneurship, Theory, & Practice* and the *Strategic Entrepreneurship Journal*. His research has been published in leading journals, including the *Academy of Management Journal*, *Strategic Management Journal*, *Academy of Management Review*, *Journal of Business Venturing*, and *Entrepreneurship Theory and Practice*.

All interested are welcome.



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