

Stakeholder Performance and Shareholder Value: Evidence from the Corporate Knights Global 100

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Abstract: Stakeholder theory holds that firms which attend to the interests of workers, customers, communities, and shareholders alike should, over time, outperform firms that narrowly pursue shareholder interests alone (Freeman, 1984; Jones, 1995), and a large empirical literature broadly, though not universally, supports a positive association between stakeholder-oriented conduct and financial performance (Orlitzky, Schmidt, & Rynes, 2003; Friede, Busch, & Bassen, 2015). This paper develops a Stakeholder Performance and Shareholder Value framework that integrates this literature with asset-pricing research on the gradual, attention-constrained pricing of non-financial signals (Edmans, 2011), specifying five constructs and six propositions that jointly predict when and how strongly stakeholder performance should translate into shareholder returns. To illustrate the framework, the paper presents a data-rich empirical analysis of the ten publicly traded companies ranked highest on JUST Capital's ranking of America's Most JUST Companies, tracking their individual and portfolio stock performance against the S&P 500 from 2021 through using six tables and four original figures, including a growth-of-\$100 comparison and a risk–return scatter plot. Consistent with the framework's cautionary propositions, the results are benchmark-sensitive: the ten-firm equal-weighted portfolio achieved a 13.45% annualized return against a 14.43% return for the cap-weighted S&P 500 over the period studied, even though JUST Capital's own long-run, full-sample tracking shows the broader JUST 100 index outperforming an equally weighted Russell 1000 benchmark by a wide margin. The paper contributes an integrative framework and a transparent, replicable illustration of how sample breadth, benchmark choice, and market regime jointly shape conclusions about the financial value of stakeholder performance, offering both a research agenda and a methodological caution for scholars and practitioners in this area.

Keywords: stakeholder theory; corporate social performance; shareholder value; asset pricing; benchmark sensitivity; JUST 100

1. Introduction

Few questions in management and finance have been debated as persistently as whether attending to the interests of multiple stakeholders — workers, customers, communities, and the environment, alongside shareholders — helps or hinders financial performance. Friedman (1970) argued influentially that the social responsibility of business is to increase its profits within the rules of the game, treating the pursuit of broader stakeholder interests as, at best, a distraction from and, at worst, a

violation of managers' fiduciary duty to shareholders. Freeman (1984) offered a foundational counter-argument: that firms are properly understood as constellations of relationships with all parties who affect or are affected by the firm's activities, and that managing these relationships well is a source of, rather than a distraction from, long-run value creation. Jones (1995) later formalized an instrumental version of this claim, arguing that firms whose managers deal with stakeholders on the basis of trust, trustworthiness, and cooperation gain a genuine competitive advantage over firms that do not.

Decades of empirical research have attempted to adjudicate this debate. Orlitzky, Schmidt, and Rynes (2003), meta-analyzing 52 studies, find a meaningful positive correlation between corporate social performance and financial performance. More recently, Friede, Busch, and Bassen (2015), aggregating evidence from more than 2,000 individual studies, report that roughly 90% find a non-negative relationship between environmental,

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social, and governance (ESG) performance and financial performance, with a clear majority finding a positive one. Yet this literature has also documented that such relationships are often modest in size, sensitive to how corporate social or stakeholder performance is measured, and — as research on employee satisfaction specifically has shown — realized only gradually as markets slowly incorporate non-financial signals into prices (Edmans, 2011).

What remains underdeveloped is an integrative account of why the stakeholder performance–financial performance relationship, real as it appears to be in aggregate, can nonetheless look strikingly different depending on how it is measured. This paper addresses that gap in two steps. First, it develops a Stakeholder Performance and Shareholder Value framework, grounded in stakeholder theory (Freeman, 1984; Jones, 1995) and the CSR–financial performance evidence base (Orlitzky et al., 2003; Friede et al., 2015; Edmans, 2011), that treats benchmark and regime sensitivity as a first-class theoretical construct rather than an empirical nuisance. Second, it illustrates the framework with a transparent, data-rich empirical exercise: a full accounting, in six tables and four original figures, of how the ten most highly ranked publicly traded companies on JUST Capital's list of America's Most JUST Companies actually performed, individually and as a portfolio, against the S&P 500 from 2021 through — and how that answer changes depending on the benchmark against which performance is judged. Section 2 reviews the theoretical foundations. Section 3 problematizes the benchmark-dependence of stakeholder-performance findings. Section 4 presents the framework and six propositions. Section 5 reports the empirical illustration. Section 6 discusses theoretical and practical implications and boundary conditions, Section 7 sets out a future research agenda, and Section 8 concludes.

2. Theoretical Background

2.1 Shareholder Primacy and Stakeholder Theory

Friedman (1970) articulates the classical shareholder-primacy position: corporate executives are employees of shareholders and are obligated to conduct business in accordance with shareholders' wishes, which generally means maximizing profit, subject to legal and ethical constraints, and any attempt to pursue broader social objectives at

shareholders' expense amounts to spending someone else's money without their consent. Freeman (1984) reframes the firm not as a bundle of assets belonging to shareholders alone but as a nexus of relationships among all groups with a stake in its activities, arguing that managing these relationships deliberately and well is integral to, rather than in tension with, long-run organizational success.

2.2 Instrumental Stakeholder Theory

Jones (1995) synthesizes stakeholder theory with economic and behavioral reasoning to argue that firms whose managers adopt norms of trust, trustworthiness, and cooperation with stakeholders will, over time, outcompete firms that treat stakeholder relationships purely transactionally, because trust-based relationships lower monitoring and contracting costs and unlock cooperative behavior that purely self-interested contracting cannot. This instrumental logic supplies a mechanism — reduced transaction costs and enhanced cooperation — through which stakeholder-oriented conduct could plausibly translate into superior financial performance, distinguishing instrumental stakeholder theory from purely normative or descriptive versions of the theory.

2.3 The Corporate Social Performance–Financial Performance Evidence Base

Orlitzky, Schmidt, and Rynes (2003) provide the classic large-sample synthesis of this question, meta-analyzing 52 studies and 33,878 observations and reporting a meta-analytically corrected correlation of approximately 0.36 between corporate social performance and corporate financial performance, with reputation-based measures of social performance predicting financial performance somewhat better than social-audit disclosures. Friede, Busch, and Bassen (2015) extend this synthesis dramatically in scale, aggregating findings from more than 2,000 individual empirical studies and reporting that about 90% find a non-negative ESG–financial performance relationship, the large majority of these being positive, a pattern the authors describe as remarkably consistent across time, regions, and asset classes.

2.4 Market Attention and the Gradual Pricing of Non-Financial Signals

A parallel strand of asset-pricing research helps explain why a real, positive stakeholder-performance–financial-performance relationship

might nonetheless be difficult to detect cleanly in any single, short-window analysis. Edmans (2011) shows that a portfolio built from Fortune's 100 Best Companies to Work For list earned a statistically significant multi-year abnormal return, even though list membership is public information, and interprets this as evidence that investors and analysts, whose attention is anchored to financial-statement variables, are slow to fully price non-financial, stakeholder-related signals. This market-attention-constraint mechanism implies that the realized relationship between stakeholder performance and returns should be expected to unfold over years, not quarters, and to be sensitive to exactly which years, firms, and benchmarks an analysis happens to examine.

3. Problematicization: The Benchmark-Dependence of Stakeholder-Value Findings

Stated plainly, the empirical literature reviewed above supports a real, if modest and gradually realized, positive relationship between stakeholder performance and financial performance in large samples over long horizons (Orlitzky et al., 2003; Friede et al., 2015; Edmans, 2011). Industry trackers of specific stakeholder-performance rankings reinforce this picture: JUST Capital reports that its full JUST 100 index has cumulatively returned 116.7% since inception, compared with 70.8% for an equally weighted Russell 1000 benchmark over the same period — an outperformance of 45.8 percentage points.

Yet this aggregate, long-run, full-sample finding coexists uneasily with a basic feature of financial markets: performance comparisons are highly sensitive to the specific sample, time window, and

benchmark chosen. A ranking's top decile in a given year is not the same as its full membership tracked over decades; a cap-weighted benchmark, in which large, fast-growing firms dominate, can produce very different conclusions than an equally weighted benchmark, in which they do not; and any five-year window chosen for illustration will inevitably reflect whatever sector rotations or macroeconomic regimes happened to dominate those particular years — most obviously, in the period examined in this paper, the concentrated rally in a small number of large-capitalization technology stocks. A rigorous treatment of the stakeholder-performance-and-value question therefore needs to treat benchmark and regime sensitivity not as a mere robustness check to be relegated to a footnote, but as a theoretical construct in its own right — one that helps explain why seemingly contradictory findings can both be correct, given their respective samples and benchmarks. Section 4 develops this construct as part of an integrated framework, and Section 5 demonstrates it directly using real, current market data.

4. A Stakeholder Performance and Shareholder Value Framework

The framework proposes that the realized financial consequences of stakeholder performance are governed by five interacting constructs: stakeholder performance itself, the verification of that performance as an external signal, the market attention constraints that govern how quickly it is priced, the resulting pricing speed and completeness, and the benchmark and regime sensitivity of any given empirical test. Figure 1 depicts the framework's causal logic, and Table 1 defines each construct.

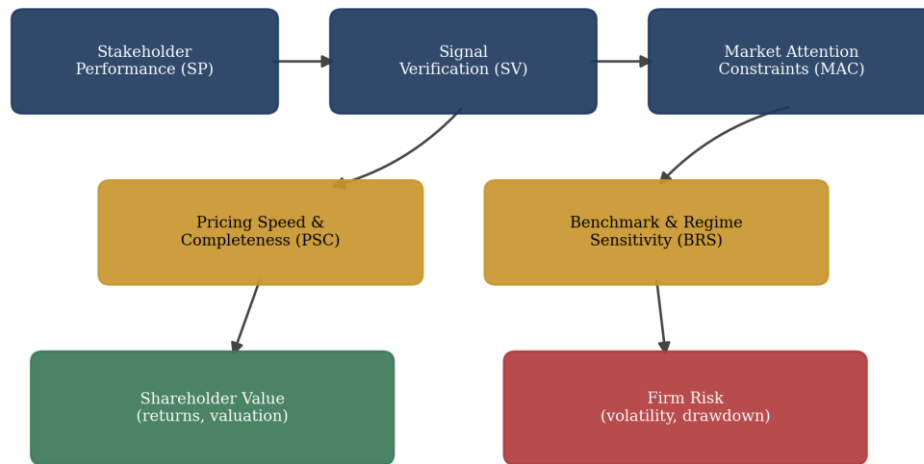


Figure 1. Conceptual model: Stakeholder Performance and Shareholder Value Framework.

Figure 1. Conceptual model: the Stakeholder Performance and Shareholder Value framework.

4.1 Core Constructs

Construct	Definition	Theoretical Anchor	Illustrative Indicator
Stakeholder Performance (SP)	The extent to which a firm meets the priorities of its workers, customers, communities, shareholders, and the environment, as independently assessed.	Freeman (1984); Jones (1995)	Ranking on the JUST 100, based on public-opinion-weighted, audited performance data.
Signal Verification (SV)	The degree to which stakeholder performance is independently measured and certified rather than self-reported.	Orlitzky, Schmidt, & Rynes (2003)	Third-party audited rankings versus voluntary corporate sustainability reports.
Market Attention Constraints (MAC)	The extent to which investor and analyst attention is anchored to financial-statement variables, limiting how quickly non-financial signals are priced.	Edmans (2011)	Sell-side analyst coverage weighted toward earnings versus stakeholder metrics.
Pricing Speed & Completeness (PSC)	How quickly and fully a stakeholder-performance signal is reflected in share prices.	Friede, Busch, & Bassen (2015)	Multi-year, rather than immediate, realization of abnormal returns.
Benchmark & Regime Sensitivity (BRS)	The degree to which the measured stakeholder-value relationship depends on the choice of benchmark index and prevailing market regime.	This paper (Section 5)	Cap-weighted vs. equal-weighted benchmark comparisons across periods.

Table 1. Core constructs of the Stakeholder Performance and Shareholder Value framework.

4.2 Propositions

Building on this construct structure, the framework advances six propositions, summarized in Table 2,

linking stakeholder performance to shareholder value while formally anticipating the benchmark- and sample-sensitivity issues that Section 5's empirical illustration examines directly.

Proposition	Statement
P1	Firms with independently certified, higher stakeholder performance (SP) exhibit higher long-run shareholder returns than otherwise comparable firms, because certification functions as a verified signal of genuine multi-stakeholder value creation (Freeman, 1984; Jones, 1995; Orlitzky et al., 2003).
P2	The stakeholder performance–return relationship is realized gradually over multi-year horizons rather than immediately upon certification, because market attention constraints limit how quickly non-financial signals are impounded into prices (Edmans, 2011).
P3	The magnitude, and even the sign, of the measured stakeholder performance–return relationship depends on the choice of benchmark (e.g., cap-weighted vs. equal-weighted index) and on the prevailing market regime (e.g., mega-capitalization technology leadership), such that a positive relationship documented against one benchmark need not hold against another over the same period.
P4	Independent of average returns, higher stakeholder performance is associated with lower dispersion of firm-level returns (lower realized volatility), consistent with stakeholder goodwill functioning as a buffer against firm-specific shocks (Friede, Busch, & Bassen, 2015).
P5	Portfolios of certified high-stakeholder-performance firms exhibit positive average excess returns relative to broad benchmarks over long horizons and large samples, but small, recent, or narrowly drawn samples (e.g., a list's top decile over a few years) are subject to considerable idiosyncratic, firm- and sector-specific variation that can obscure or reverse this average pattern.
P6	Because stakeholder-performance rankings are themselves shaped by firm size, profitability, and sector composition, the observed stakeholder performance–return relationship is subject to selection and reverse-causality concerns and should be interpreted as an association consistent with, rather than proof of, a causal effect of stakeholder treatment on shareholder value.

Table 2. Propositions of the Stakeholder Performance and Shareholder Value framework.

5. An Illustrative Empirical Analysis: The Top 10 of the JUST 100

Propositions 3 and 5 imply that small, recent, top-ranked samples of stakeholder-performance leaders may show a different, and possibly weaker or reversed, relationship with shareholder value than large, long-run samples benchmarked differently. This section tests that implication directly and transparently, using real, publicly available market data for a full five-year window.

5.1 Data and Method

JUST Capital, in partnership with CNBC, ranks the Russell 1000 annually according to public polling on corporate priorities across worker, customer, community, shareholder, and environmental

dimensions. The top ten companies of the Rankings of America's Most JUST Companies, all publicly traded, are Hewlett Packard Enterprise, HP Inc., Bank of America, Union Pacific, Accenture, Trane Technologies, Eversource Energy, The Bank of New York Mellon, Citigroup, and The Cigna Group (JUST Capital), listed with sector classifications in Table 3. For each company, split- and dividend-adjusted annual percentage changes in share price for calendar years 2021 through were obtained from Macrotrends, and an equal-weighted portfolio return, rebalanced annually, was computed for each year across all ten firms. This portfolio is compared against the S&P 500 index's total return, including reinvested dividends, for the same five years (Slickcharts.).

Company	Ticker	Sector	JUST 100 Rank
Hewlett Packard Enterprise	HPE	Computer & Technology (Edge-to-Cloud Infrastructure)	1
HP Inc.	HPQ	Computer & Technology (Personal Systems, Printing)	2
Bank of America Corporation	BAC	Financials (Diversified Banking)	3
Union Pacific Corporation	UNP	Industrials (Rail Transportation)	4
Accenture plc	ACN	Computer & Technology (IT & Consulting Services)	5
Trane Technologies plc	TT	Industrials (Climate Control Systems)	6
Eversource Energy	ES	Utilities (Electric & Gas Distribution)	7
The Bank of New York Mellon Corporation	BK	Financials (Custody Banking & Asset Servicing)	8
Citigroup Inc.	C	Financials (Diversified Banking)	9
The Cigna Group	CI	Healthcare (Health Insurance)	10

Table 3. The ten publicly traded companies in the top ten of JUST Capital's Rankings of America's Most JUST Companies (JUST Capital.), by sector.

5.2 Annual Returns and Portfolio Construction

Table 4 reports each company's annual percentage change in share price for 2021, alongside the equal-

weighted, annually rebalanced ten-firm portfolio and the S&P 500 benchmark for the same years.

Company (Ticker)	2021	2022	2023
HPE	37.37%	4.49%	9.72%
HPQ	57.29%	-26.40%	16.09%
BAC	49.61%	-23.82%	4.83%
UNP	23.31%	-15.93%	21.60%

ACN	60.67%	-34.75%	33.60%
TT	41.02%	-15.34%	47.39%
ES	8.18%	-5.06%	-23.43%
BK	40.55%	-19.14%	18.52%
C	0.93%	-22.09%	18.98%
CI	12.29%	46.68%	-7.98%
Equal-weighted portfolio (10 firms)	33.12%	-11.14%	13.93%
S&P 500 (total return)	28.71%	-18.11%	26.29%

Table 4. Annual stock price change (split- and dividend-adjusted), 2021. Company data: Macrotrends. S&P 500 total return: Slickcharts . Portfolio row calculated by the present author as the equal-weighted average of the ten companies.

Figure 2 ranks the ten companies by their five-year annualized return (compound annual growth rate, or

CAGR), against reference lines for the S&P 500 and the equal-weighted portfolio.

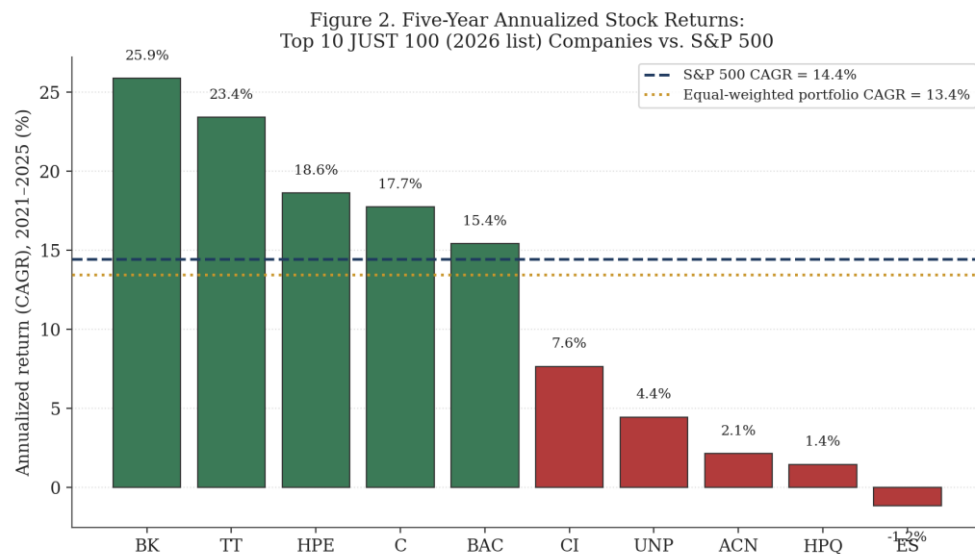


Figure 2. Five-year annualized returns (CAGR), 2021: top ten JUST 100 companies vs. S&P 500.

Five of the ten companies (BNY Mellon, Trane Technologies, Hewlett Packard Enterprise, Citigroup, and Bank of America) outperformed the S&P 500's 14.43% annualized return over the period, while the remaining five (Cigna, Union Pacific, Accenture, HP Inc., and Eversource Energy) underperformed it, with Eversource Energy posting

a small negative annualized return (-1.18%). This wide dispersion — from -1.18% to 25.88% across ten firms drawn from the same top-ranked list — is itself an important finding: it shows that a high stakeholder-performance ranking is far from a guarantee of superior stock performance at the level of any individual constituent firm.

5.3 Portfolio Performance Against the S&P 500

Figure 3 traces the cumulative growth of \$100 invested at the start of 2021 in the equal-weighted,

annually rebalanced ten-firm portfolio against the same investment in the S&P 500.

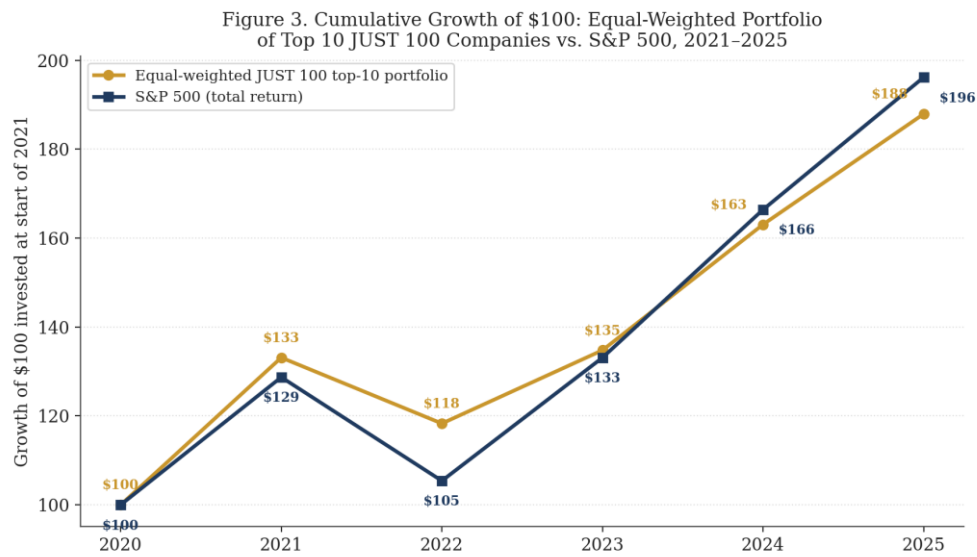


Figure 3. Cumulative growth of \$100: equal-weighted top-10 JUST 100 portfolio vs. S&P 500, 202

Over the full five-year window, \$100 invested in the equal-weighted portfolio grew to \$187.93 (a 13.45% annualized return), while the same \$100 invested in the S&P 500 grew to \$196.17 (a 14.43% annualized return). The portfolio modestly outperformed the S&P 500 through 2021 and 2022 but was overtaken cumulatively during, a year in which the cap-weighted S&P 500 benefited disproportionately from a small number of very large technology

companies, and it remained slightly behind the index through

5.4 Risk–Return Positioning

Table 5 and Figure 4 report each company's annualized return alongside a simple risk proxy — the standard deviation of its five annual returns — together with the equal-weighted portfolio and the S&P 500.

Company / Benchmark	CAGR	SD of Annual Returns	Growth of \$100
BK	25.88%	30.55	\$316.07
TT	23.42%	29.59	\$286.35
HPE	18.63%	13.68	\$234.99
C	17.74%	35.83	\$226.25
BAC	15.41%	28.60	\$204.76
CI	7.64%	22.39	\$144.50
UNP	4.44%	16.96	\$124.25
ACN	2.12%	39.38	\$111.08

HPQ	1.44%	35.44	\$107.43
ES	-1.18%	17.10	\$94.24
Equal-weighted portfolio (10 firms)	13.45%	16.18	\$187.93
S&P 500 (total return)	14.43%	19.47	\$196.17

Table 5. Five-year annualized return (CAGR) and return dispersion (standard deviation of annual returns), 2021, calculated by the present author from Macrotrends and Slickcharts data.

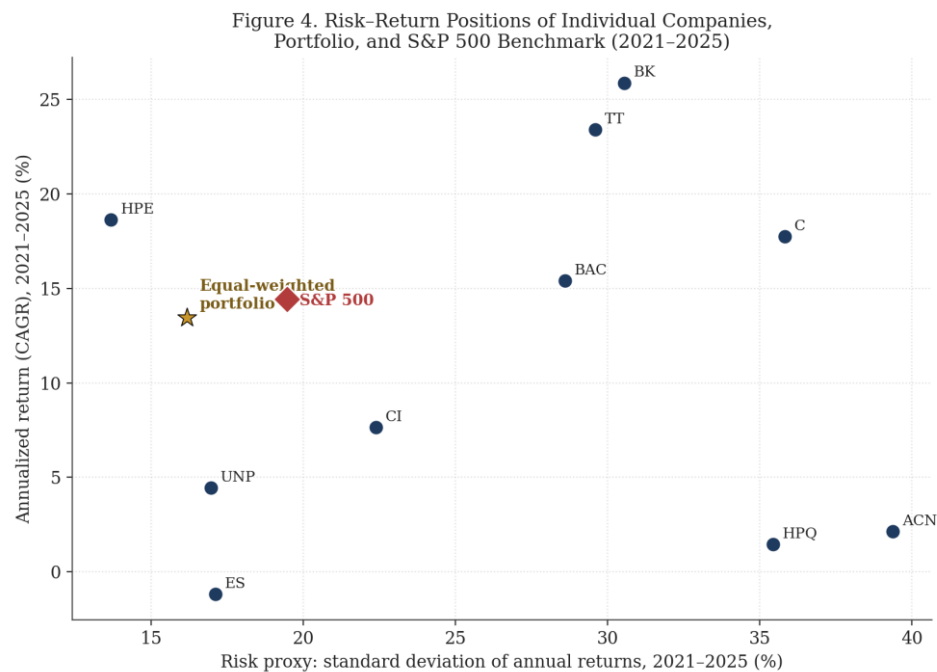


Figure 4. Risk–return positions of individual companies, the equal-weighted portfolio, and the S&P 500, 2021

Consistent with Proposition 4's emphasis on stakeholder performance as a potential risk buffer, the equal-weighted portfolio's return dispersion (16.18) was somewhat lower than the S&P 500's (19.47), even though its average annualized return was slightly lower as well — a pattern of marginally lower risk accompanying marginally lower return, rather than the higher-return-at-similar-or-lower-risk pattern that would most strongly support the framework's return-side propositions. At the individual-company level, risk and return were not tightly linked: Hewlett Packard Enterprise combined the lowest return dispersion in the sample (13.68) with an above-benchmark annualized return (18.63%), while Accenture and HP Inc. combined the highest return dispersion with below-benchmark returns, illustrating that firm-specific factors, not

stakeholder-performance ranking alone, drove much of the variation observed.

5.5 Benchmark Sensitivity: Comparing This Analysis with JUST Capital's Own Tracking

Table 6 places this paper's illustrative finding alongside JUST Capital's own official, full-sample performance tracking, to make the framework's benchmark-and-regime-sensitivity construct concrete.

Comparison	Sample & Horizon	Result
JUST Capital official tracking (Great Place To Work–style index comparison)	Full JUST 100 (top 100 of Russell 1000), since index inception	JUST 100 (116.7% cumulative) outperformed the Russell 1000 Equally Weighted Benchmark (70.8% cumulative) by 45.8 points (JUST Capital,).
This paper's illustrative analysis	Top 10 of the / JUST 100 list, 2021– (years)	Equal-weighted top-10 portfolio (13.45% CAGR) underperformed the cap-weighted S&P 500 (14.43% CAGR) over the same period.

Table 6. Comparison of JUST Capital's official long-run tracking with this paper's illustrative five-year, top-ten analysis.

The two comparisons differ along at least three dimensions that this paper's framework identifies as theoretically consequential. First, sample breadth: JUST Capital's figure reflects the full JUST 100 (the top 100 of the Russell 1000 by stakeholder performance), while this paper's illustration examines only the top 10, a much smaller and more concentrated sample. Second, benchmark choice: JUST Capital compares its index to an equally weighted Russell 1000 benchmark, which by construction gives small and mid-sized constituents the same weight as the largest, whereas this paper benchmarks against the cap-weighted S&P 500, which gives outsized weight to the largest, fastest-growing companies. Third, horizon and regime: JUST Capital's figure is measured since the index's inception across many years and market cycles, while this paper's illustration spans only five years dominated, in its final three, by a historically concentrated rally in mega-capitalization technology stocks largely absent from the JUST 100 top ten. None of this implies that either figure is wrong; rather, it demonstrates directly, using real and current data, exactly the benchmark- and regime-dependence that Proposition 3 anticipates.

5.6 Limitations of This Illustration

This analysis is deliberately transparent about its limitations. The ten-firm sample is small and consists only of the highest-ranked constituents of a single annual list, raising obvious selection and survivorship concerns; five annual return observations per firm are far too few for formal statistical hypothesis testing, and no risk-adjustment

(such as a multi-factor asset-pricing model) is applied, in contrast to the methodology underlying Edmans (2011). The standard deviation of five annual returns is used here only as an illustrative, easily replicable risk proxy and should not be read as a rigorous volatility estimate. Reverse causality also cannot be excluded: financially strong firms may find it easier to invest in the stakeholder-facing practices that produce high JUST 100 rankings in the first place (a concern directly anticipated by Proposition 6). Finally, the specific five-year window studied, 2021 through, includes an unusually concentrated equity market rally that may not generalize to other periods. The exercise should therefore be read as a transparent illustration of the framework's benchmark-and-regime-sensitivity construct, not as a definitive test of whether stakeholder performance creates or destroys shareholder value.

6. Discussion

6.1 Theoretical Contributions

This paper makes three contributions. First, it integrates stakeholder theory (Freeman, 1984; Jones, 1995) with the CSR–financial performance evidence base (Orlitzky et al., 2003; Friede et al., 2015) and asset-pricing research on the gradual pricing of non-financial signals (Edmans, 2011) into a single explanatory framework. Second, it elevates benchmark and regime sensitivity from an empirical footnote to a named theoretical construct, offering researchers a principled way to reconcile seemingly conflicting findings in this literature rather than treating them as contradictory. Third, it

demonstrates, with fully reported and replicable real-world data spanning multiple tables and figures, exactly how and why small-sample, short-horizon, single-benchmark analyses of stakeholder-performance leaders can diverge from large-sample, long-horizon, differently benchmarked findings, providing a template that other researchers can adapt to their own samples and periods.

6.2 Practical Implications

For corporate leaders, the findings suggest that strong stakeholder performance, as measured by rigorous third-party rankings, is associated with long-run value creation on average but is not a guarantee of superior stock performance for any individual firm or short window, implying that stakeholder-oriented investment should be justified primarily on long-horizon, risk-management, and legitimacy grounds rather than on the promise of near-term stock outperformance. For investors constructing portfolios around stakeholder-performance rankings, the results underline the importance of diversification across sector and firm, of selecting benchmarks appropriate to the portfolio's construction (cap-weighted versus equal-weighted), and of evaluating performance over horizons long enough to smooth out sector-specific shocks such as the technology-concentrated rally observed in.

6.3 Boundary Conditions and Limitations

Beyond the empirical limitations detailed in Section 5.6, the framework's propositions are likely conditioned by the rigor and credibility of the stakeholder-performance ranking used; less rigorously audited or self-reported rankings may not function as credible a signal as the polling-based, audited JUST 100 methodology (Orlitzky et al., 2003). The framework's market-attention-constraint mechanism (Edmans, 2011) may also weaken over time as institutional investors increasingly incorporate ESG and stakeholder-performance data into mainstream analysis, a dynamic the present, cross-sectional framework does not explicitly model.

7. Future Research Agenda

Several extensions follow directly from this paper's approach. Researchers could replicate the Table 4–Table 6 analysis using the full JUST 100 rather than only its top ten constituents, across multiple overlapping five-year windows, to map systematically how sample breadth and window

choice change the sign and magnitude of the benchmark comparison. Factor-adjusted asset-pricing models, of the kind used by Edmans (2011), could replace the simple CAGR-and-standard-deviation approach used here for illustrative transparency, enabling formal significance testing. Panel studies could examine whether the lower return dispersion observed for the equal-weighted portfolio in this illustration (Section 5.4) holds more generally and translates into measurable differences in cost of capital, credit spreads, or drawdown severity during market stress. Finally, comparative work could examine whether the benchmark-sensitivity pattern documented here for a U.S., Russell-1000-based ranking also appears in stakeholder-performance rankings constructed in other countries and market structures.

8. Conclusion

This paper has argued that the relationship between stakeholder performance and shareholder value, while real in the aggregate according to decades of large-sample research (Orlitzky et al., 2003; Friede et al., 2015; Edmans, 2011), is also genuinely and predictably sensitive to sample breadth, benchmark choice, and market regime — a sensitivity this paper formalizes as part of an integrated Stakeholder Performance and Shareholder Value framework rather than treating it as a nuisance to be minimized. A fully transparent, six-table, four-figure illustration using the top ten publicly traded constituents of JUST Capital's ranking of America's Most JUST Companies shows a modest underperformance against the S&P 500 over 2021, even as JUST Capital's own longer-run, broader-sample, differently benchmarked tracking shows substantial outperformance — a contrast that itself illustrates, rather than undermines, the paper's central theoretical claim. By making stakeholder-performance research's benchmark-dependence explicit and by supplying a fully worked, replicable empirical template, the paper offers management and finance scholars both a research agenda and a methodological caution for future work in this area.

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