

THE ROLE OF MORAL JUDGMENT AND CORPORATE SOCIAL RESPONSIBILITY IN SHAPING INVESTMENT DECISIONS

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ABSTRACT

Purpose: This study examines whether corporate social responsibility (CSR) information and investors' moral decision-making considerations influence investment decisions in an experimental asset market. It also tests whether expected dividend changes the CSR–investment relationship.

Methods: Participants evaluate six fictitious companies—three with strong and three with weak CSR records—using 30 seven-point items representing Multiple Attribute Utility Theory (MAUT), the Theory of Planned Behavior (TPB), and the Issue-Contingent Model (ICM). They subsequently trade the companies' shares across three sessions in which expected dividend is experimentally varied. Investment behavior is captured by bid–ask decisions and analyzed using OLS models with a CSR × expected-dividend interaction.

Novelty: The study integrates rational utility, social-norm, and moral-intensity explanations in one market-based design while separating CSR information from financial payoff signals.

Findings: Based on 67 valid participants and 277 recorded transactions, CSR positively affected investment behavior ($\beta = 3.387$, $p < 0.001$), and its interaction with expected dividend was also positive ($\beta = 0.597$, $p = 0.001$). Expected dividend alone was not significant. MAUT showed a positive effect at the 10% level ($\beta = 0.605$, $p = 0.075$), while ICM was positive at the 5% level ($\beta = 0.665$, $p = 0.043$). The CSR model explained 87.9% of the variance, whereas the moral-model equation explained 18.5%. TPB results were not reported in the available statistical chapter.

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INTRODUCTION

Investment decisions increasingly combine financial information with judgments about how companies affect employees, communities, and the natural environment. In contemporary practice, responsible investment ranges from value-based exclusion to systematic consideration of environmental, social, and governance (ESG) information. The central behavioral question is therefore no longer whether investors can see non-financial information, but how strongly that information enters an actual choice when expected financial returns are also salient. This issue is especially relevant for retail and prospective investors, whose choices may reflect both utility maximization and moral preferences.

Recent evidence confirms that sustainable-investment behavior cannot be explained by return expectations alone. Investors differ in their willingness to accept a financial sacrifice for sustainability, and their portfolio exposure to ESG factors can shift when market conditions become stressful (D'Hondt et al., 2022; Pedersen et al., 2021). Field and experimental work also shows that sustainability labels, social preferences, and non-pecuniary motives can affect portfolio allocation (Bauer et al., 2021; Riedl & Smeets, 2017). At the same time, financial outcomes remain a powerful

benchmark. Consequently, a credible test should present CSR and expected-dividend information together rather than infer moral choice from attitudes alone.

The growth of ESG-labelled products has made investor judgment more demanding. A sustainability label does not guarantee strong stakeholder outcomes because ratings, disclosures, and corporate conduct may diverge. Raghunandan and Rajgopal (2022) show that self-labelled ESG funds do not always hold firms with superior labor or environmental records. Conversely, Reber et al. (2022) find that voluntary ESG disclosure can reduce information asymmetry and idiosyncratic downside risk. These contrasting findings imply that CSR information is most influential when it is concrete and credible. An experiment that clearly differentiates strong and weak CSR profiles can reveal whether investors reward substantive company information rather than merely reacting to an ESG label.

Responsible investment also combines heterogeneous motives. Garg et al. (2022) find that attitudes, social influence, perceived behavioral control, and moral norms explain SRI intention, while Yee et al. (2022) confirm the relevance of TPB components to renewable-energy investment intention. Giglio et al. (2025) show that retail investors hold ESG assets for different reasons, including ethics, climate hedging, and expected returns; many nevertheless expect ESG investments to underperform. Thus, a positive response to CSR does not mean that financial evaluation disappears. Investors may assign utility to moral attributes while continuing to process dividend expectations and other payoff signals.

This tension is especially important in emerging markets, where sustainability information and institutions may differ from developed markets. Chen et al. (2023) report a return premium for high-ESG stocks in China, whereas Lestari and Frömmel (2024) find that SRI performance varies across market settings. Alda (2021) documents the integration of ESG characteristics into responsible and conventional pension portfolios. Meanwhile, misconceptions about lower returns and limited credibility can discourage participation (Meunier & Ohadi, 2022). These developments justify controlled evidence that separates CSR status from an explicit financial signal. The present experiment contributes by observing bid–ask decisions rather than relying only on stated intentions.

Studies of individual socially responsible investment (SRI) frequently use the Theory of Planned Behavior (TPB) to explain intention through attitudes, norms, and perceived control. Recent research continues to find that attitudinal and normative factors matter for SRI intention, while reviews show substantial theoretical fragmentation and a persistent gap between stated preference and revealed investment behavior (Pasquino & Lucarelli, 2025; Thanki et al., 2022; Zhang et al., 2024). Intention-based surveys are informative, but they do not fully reproduce a market setting in which investors face competing company profiles, payoff signals, and a need to submit bids or asks.

Moral decision making also extends beyond the TPB. Multiple Attribute Utility Theory (MAUT) represents choice as an evaluation of several attributes and can accommodate morality as an element of subjective utility. The Issue-Contingent Model (ICM) explains ethical choice by the perceived intensity of a moral issue, including the magnitude of consequences and social consensus (Jones, 1991). Recent experimental evidence in investment-like organizational decisions likewise indicates that ethical beliefs, social norms, prior outcomes, and perceived consequences jointly affect resource-allocation choices (Fleischman et al., 2023). These perspectives are complementary: MAUT captures the utility assigned to moral attributes, TPB captures normative pressure toward action, and ICM captures characteristics that make the issue morally salient.

The research gap lies in the limited integration of these three moral-decision perspectives with observable trading behavior under simultaneous CSR and expected-return signals. Many recent studies examine SRI intention or ESG preferences, whereas fewer studies compare competing moral mechanisms in a controlled asset market. The present study addresses that gap without altering the original variables: CSR status and expected dividend are experimentally varied; investment

decision is observed through bid–ask behavior; and moral decision making is represented by MAUT, TPB, and ICM measures.

Accordingly, the study has three contributions. First, it provides a behavioral test of whether CSR information affects investment decisions after expected dividend is considered. Second, it evaluates whether the CSR effect is contingent on the financial signal through the CSR $\times$ expected-dividend interaction. Third, it compares the explanatory role of MAUT, TPB, and ICM in the same empirical setting. This design connects classical moral-decision theory with the current responsible-investment debate while retaining the structure of the available data.

THEORETICAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT

Corporate social responsibility and investment decisions

CSR refers to corporate responsibilities that extend beyond economic performance to legal, ethical, and discretionary obligations toward stakeholders (Carroll, 1991). For investors, CSR information can function as both a value signal and a moral cue. It may indicate stronger stakeholder relationships and lower exposure to non-financial risks, but it can also enable investors to align portfolios with social and environmental preferences. Contemporary ESG research similarly distinguishes value-oriented analysis from values-oriented screening; the former treats sustainability as financially material, whereas the latter treats it as part of the investor's desired social impact.

From a stakeholder perspective, strong CSR can enhance the legitimacy of the firm and signal a broader capacity to manage stakeholder claims. Empirical research shows that investors pay attention to sustainability information and that sustainability ratings can redirect capital flows (Hartzmark & Sussman, 2019). However, the response is heterogeneous because investors differ in values, beliefs, knowledge, and willingness to sacrifice return. A controlled comparison between companies with strong and weak CSR records isolates the informational content of CSR while holding the general market environment constant.

H1: Corporate social responsibility affects investors' investment decisions.

Expected dividend as a financial signal

Expected dividend represents the immediate financial payoff signal in the experiment. Standard investment logic predicts that a higher expected dividend increases the utility of holding a share. Yet responsible-investment choices require investors to assess financial and non-financial attributes simultaneously. The responsible-investing efficient-frontier framework implies that optimal portfolio choice depends jointly on risk, return, and ESG preferences (Pedersen et al., 2021). Therefore, a favorable dividend expectation may reinforce demand for a high-CSR company, compensate for weak CSR, or reduce the relative weight assigned to morality.

The original model treats expected dividend as a moderator of the CSR–investment association rather than as a replacement for CSR. This distinction is retained. The interaction coefficient tests whether the effect of CSR differs between high- and low-expected-dividend conditions. Because the original proposal did not specify a directional interaction, the updated article preserves a non-directional moderation test and interprets the conditional effect from the estimated coefficients.

Moderation test within H1: Expected dividend changes the effect of corporate social responsibility on investment decisions.

Moral decision making: MAUT, TPB, and ICM

MAUT assumes that decision makers evaluate alternatives across attributes and combine these evaluations into an overall utility judgment. In this study, morality is not treated as an external constraint on rationality; it is treated as an attribute that may carry utility for the investor. The

perceived morality of each company and the personal importance assigned to morality together indicate whether a responsible company produces greater subjective utility.

TPB explains behavior through intention, which is shaped by attitude, subjective norm, and perceived behavioral control (Ajzen, 1991). The available instrument operationalizes the TPB component through six subjective-norm items. These items capture perceived social pressure and expectations from significant others concerning responsible investment. The narrower operationalization should be stated explicitly: the study tests the normative component of TPB, not the entire TPB structure.

ICM proposes that ethical decision making depends on the characteristics of the moral issue itself (Jones, 1991). Moral intensity rises when consequences appear substantial and when social agreement about the appropriate response is strong. The available instrument represents ICM through moral-issue and social-consensus items. In an investment setting, these perceptions should make the CSR profile more consequential and increase the likelihood that moral evaluation is translated into trading behavior.

The three perspectives therefore capture different routes to the same observed decision. MAUT describes the utility attached to moral attributes, TPB reflects normative pressure, and ICM reflects the perceived salience and consensus of the moral issue. Rather than collapsing them into a new construct, the empirical model estimates their separate coefficients while controlling for expected dividend.

H2: Moral decision-making considerations represented by MAUT, TPB, and ICM affect investors' investment decisions.

RESEARCH METHODOLOGY

Research design and experimental setting

The study uses a laboratory-style experimental asset-market design. One hundred undergraduate students at the Faculty of Economics, Universitas Kristen Duta Wacana, Yogyakarta, were invited. Seventy-four participated, but seven questionnaires were incomplete or incorrectly completed; therefore, 67 participants were retained. Their mean age was 20.01 years (SD = 0.728); 26 (38.8%) were men and 41 (61.2%) were women. Participants reviewed profiles of six fictitious Indonesian companies. Fictitious firms reduced contamination from brand familiarity, prior share ownership, media exposure, and pre-existing beliefs about real issuers.

The original instrument contained 30 seven-point items intended to represent MAUT, TPB, and ICM. The available results chapter reports measurement evidence only for MAUT and ICM, each represented by 12 items: six perceived-morality and six importance-of-morality items for MAUT, and six moral-issue and six social-consensus items for ICM. Although TPB remains part of the proposed conceptual framework, no TPB reliability, validity, descriptive statistic, or regression coefficient appears in the available output. Accordingly, TPB is not assigned an empirical result.

Participants then enter a computerized asset-market simulation and may submit bids and asks for shares of the six companies. Trading is conducted in three sessions. In every session, three firms are randomly assigned a high expected dividend and three a low expected dividend. Random assignment of the dividend condition helps separate the financial signal from the CSR profile. The resulting dataset contains repeated observations nested within participants, companies, and trading sessions.

Variables and operational definitions

Table 1 summarizes the unchanged variables and their operational treatment. Coding should be checked against the actual data file before estimation because the proposal contains conflicting statements about the low/high dividend dummy. For interpretive clarity, the recommended coding is high expected dividend = 1 and low expected dividend = 0; if the dataset uses the reverse coding, retain the recorded values and reverse the coefficient interpretation.

Table 1
Operationalization of Study Variables

Variable	Role	Operational definition	Scale/coding
Investment decision (Inv. Behavior)	Dependent	Observed bid–ask behavior in the simulated market. The final measure must follow the coding in the transaction record.	Behavioral/transaction value
Corporate social responsibility (CSR)	Independent	CSR status conveyed in the company profile.	Strong CSR = 1; weak CSR = 0
Expected dividend (Exp. Dividend)	Moderator / control	Experimentally assigned dividend expectation for each company-session.	Recommended: high = 1; low = 0
CSR × Exp. Dividend	Interaction	Product of CSR and expected-dividend dummies.	0/1 interaction term
MAUT	Independent	Moral utility based on perceived morality and importance of morality.	12 items; seven-point scale
TPB	Proposed independent	Subjective norm concerning responsible investment; no empirical output was available in Chapter IV.	6 planned items; result not reported
ICM	Independent	Moral-issue perception and social consensus.	12 items; seven-point scale

Source: Developed from the original proposal; variables and experimental conditions are unchanged.

Data preparation and analysis

The analysis used 67 valid participants. The CSR interaction equation was estimated from 277 recorded bid–ask transactions, whereas the moral-model equation used 67 participant-level observations. Internal consistency was assessed with Cronbach’s alpha. Item validity was examined by comparing item–total correlations with $r_{table} = 0.2027$ ($df = 65$). Descriptive statistics, CSR perceptions, trading activity, and final bid–ask prices were summarized before hypothesis testing.

H1 is tested with an OLS interaction model: $InvBehavior_{ijt} = \alpha_0 + \beta_1 CSR_j + \beta_2 Dividend_{jt} + \beta_3 (CSR_j \times Dividend_{jt}) + \varepsilon_{ijt}$. Here, i identifies the participant, j the fictitious company, and t the trading session. β_1 is the CSR effect when the dividend dummy equals zero, while β_3 captures the change in that effect under the alternative dividend condition. Conditional CSR effects should be calculated for both dividend levels.

The reported H2 equation is: $InvBehavior_i = \alpha_0 + \beta_1 MAUT_i + \beta_2 ICM_i + \beta_3 Dividend_i + \varepsilon_i$. This follows the actual Chapter IV table. It differs from the proposal because no TPB coefficient was reported; this omission is treated as incomplete evidence rather than as a zero effect. Expected dividend remains a control variable.

Both equations were estimated with OLS. Classical assumptions were evaluated through the Kolmogorov–Smirnov test, Glejser test, variance inflation factor/tolerance, and runs test. The diagnostic summary reports non-normal residuals, heteroskedasticity, and autocorrelation for Model 1, and heteroskedasticity and autocorrelation for Model 2. Multicollinearity was not detected in

either model. Consequently, the reported conventional *t* tests require caution; robust or clustered standard errors should be calculated from the original dataset before final submission.

RESULTS AND DISCUSSION

Sample characteristics and measurement checks

Of the 100 students invited, 74 participated and 67 provided usable responses, giving a usable rate of 67.0% of invitations and 90.5% of participants. The sample comprised 26 men (38.8%) and 41 women (61.2%). The mean age was 20.01 years (*SD* = 0.728), consistent with respondents being undergraduate students, mostly in their fifth semester.

MAUT had a Cronbach's alpha of 0.875 and ICM an alpha of 0.908, indicating strong internal consistency. Across the 12 MAUT items, item–total correlations ranged from 0.43 to 0.68; across the 12 ICM items, they ranged from 0.54 to 0.75. Every value exceeded *r*_{table} = 0.2027 (*df* = 65). No corresponding reliability or validity statistics were available for TPB.

Table 2
Sample and Measurement Summary

Measure	Result	Interpretation
Usable sample	67 of 100 invited	67.0% usable response rate
Gender	26 men; 41 women	38.8%; 61.2%
Age	<i>M</i> = 20.01; <i>SD</i> = 0.728	Predominantly 19–21 years
MAUT reliability	α = 0.875	Reliable
ICM reliability	α = 0.908	Reliable
MAUT item validity	<i>r</i> = 0.43–0.68	All > 0.2027
ICM item validity	<i>r</i> = 0.54–0.75	All > 0.2027
TPB measurement	Not reported	Cannot be empirically assessed

Source: Processed from Chapter IV.

CSR perceptions and trading outcomes

Participants clearly distinguished the intended CSR profiles. Mean CSR perceptions were 6.22 for company A, 6.34 for D, and 6.28 for E; these were classified as high-CSR companies. Means were 1.81 for B, 1.78 for C, and 2.10 for F; these were classified as low-CSR companies. Across three sessions, participants recorded 277 transactions: 126 bids and 151 asks. Bids declined from 56 in Session 1 to 43 in Session 2 and 27 in Session 3, while asks increased from 36 to 54 and 61, suggesting greater profit realization toward the end of the simulation.

All shares opened at 10 experimental currency units. Average final bid–ask values were higher for the high-CSR firms: A (16.98/17.38), D (16.95/17.31), and E (18.12/18.33). Values for low-CSR firms were B (13.75/14.38), C (14.67/14.79), and F (12.73/12.86). Company E achieved the highest valuation and company F the lowest, although all remained above the opening price.

Table 3
Company-Level CSR Perceptions and Trading Summary

Company	CSR group	Mean CSR perception	Bids	Asks	Mean bid	Mean ask
A	High	6.22	26	32	16.98	17.38
B	Low	1.81	14	18	13.75	14.38
C	Low	1.78	11	16	14.67	14.79

Company	CSR group	Mean CSR perception	Bids	Asks	Mean bid	Mean ask
D	High	6.34	30	34	16.95	17.31
E	High	6.28	27	27	18.12	18.33
F	Low	2.10	18	24	12.73	12.86
Total	—	—	126	151	—	—

Source: Processed from Chapter IV; bids and asks are summed across the three sessions.

Descriptive statistics and diagnostic tests

For Model 1, investment behavior averaged 15.97 (SD = 1.97; range 12.25–18.40) across 277 transactions. Expected dividend averaged 0.55, CSR 0.57, and the interaction 0.26. For Model 2, the participant-level investment-behavior mean was 16.04 (SD = 1.80; range 12.71–18.34). MAUT averaged 5.17 (SD = 0.96; range 2.30–6.80) and ICM averaged 5.20 (SD = 0.87; range 2.30–6.90), indicating relatively strong moral evaluations.

Model 1 failed normality, heteroskedasticity, and autocorrelation diagnostics; Model 2 passed normality but showed heteroskedasticity and autocorrelation. Neither model showed problematic multicollinearity. Thus, coefficient signs and magnitudes are informative, but conventional significance levels—especially the marginal MAUT result—should be interpreted cautiously until robust inference is calculated from the raw data.

Table 4
Descriptive Statistics

Model	Variable	N	Minimum	Maximum	Mean	SD
1	Investment behavior	277	12.25	18.40	15.97	1.97
1	Expected dividend	277	0	1	0.55	0.50
1	CSR	277	0	1	0.57	0.50
1	CSR × dividend	277	0	1	0.26	0.44
2	Investment behavior	67	12.71	18.34	16.04	1.80
2	MAUT	67	2.30	6.80	5.17	0.96
2	ICM	67	2.30	6.90	5.20	0.87
2	Expected dividend	67	0	1	0.54	0.50

Source: Processed from Chapter IV.

Table 5
OLS Models of Investment Decisions

Predictor	Model 1 coefficient	t	p	Model 2 coefficient	t	p
CSR	3.387	25.681	< 0.001	—	—	—
Expected dividend	−0.218	−1.639	0.102	0.266	0.631	0.530
CSR × expected dividend	0.597	3.455	0.001	—	—	—
MAUT	—	—	—	0.605	1.811	0.075
ICM	—	—	—	0.665	2.065	0.043

Predictor	Model 1 coefficient	t	p	Model 2 coefficient	t	p
TPB	—	—	—	Not reported	—	—
R ²	0.879	—	—	0.185	—	—
N	277	—	—	67	—	—

Notes: Coefficients and conventional OLS tests are reproduced from Chapter IV. Model 1 contains CSR, expected dividend, and their interaction. Model 2 contains MAUT, ICM, and expected dividend. TPB was proposed but not reported. Source: Author's calculations.

CSR, Expected Dividend, And Investment Decisions

CSR had a strong positive effect on investment behavior ($\beta = 3.387$, $t = 25.681$, $p < 0.001$). Holding the dividend condition constant, shares of high-CSR companies were traded at values 3.387 experimental currency units above those of low-CSR companies. H1 was therefore supported. This result is consistent with evidence that investors assign value to sustainability information and direct capital toward options that better match their preferences (Hartzmark & Sussman, 2019; Riedl & Smeets, 2017).

The CSR coefficient is economically meaningful relative to the opening price of 10 units. A premium of 3.387 units equals about one third of that price, showing that participants did not treat CSR as peripheral. Descriptive results support this conclusion: high-CSR firms generally obtained higher bid–ask values, and company E received the highest valuation. The pattern resembles evidence that markets price credible sustainability characteristics (Chen et al., 2023). It also aligns with Reber et al. (2022), who link ESG disclosure to lower information asymmetry and downside risk. CSR descriptions may therefore have functioned as both moral signals and indicators of company quality or trustworthiness.

Expected dividend alone was negative but not significant ($\beta = -0.218$, $t = -1.639$, $p = 0.102$). The CSR $\times$ expected-dividend interaction was positive and significant ($\beta = 0.597$, $t = 3.455$, $p = 0.001$). Using the reported coding, the conditional CSR effect was 3.387 when expected dividend was low and 3.984 ($= 3.387 + 0.597$) when expected dividend was high. Thus, a high expected dividend strengthened rather than displaced the valuation advantage of high CSR. This supports a joint financial–ethical evaluation (Pedersen et al., 2021), although the violated error assumptions warrant robust re-estimation.

The positive interaction adds an important qualification. Expected dividend was not significant independently, but it increased the CSR effect from 3.387 to 3.984 units under the high-dividend condition. Participants therefore did not simply choose morality over return; valuation was highest when ethical and financial attributes were jointly favorable. This complementarity is consistent with competitive responsible-portfolio performance across markets (Lestari & Frömmel, 2024) and the mainstreaming of ESG integration (Alda, 2021). It also challenges the belief that responsible investment necessarily requires inferior returns (Meunier & Ohadi, 2022). The insignificant dividend main effect may reflect its uncertain, expected nature compared with observable price movements and potential capital gains.

Moral Decision-Making Models And Investment Decisions

MAUT positively affected investment behavior at the 10% level ($\beta = 0.605$, $t = 1.811$, $p = 0.075$), while ICM had a positive effect at the 5% level ($\beta = 0.665$, $t = 2.065$, $p = 0.043$). Expected dividend remained non-significant ($\beta = 0.266$, $t = 0.631$, $p = 0.530$). Model 2 explained 18.5% of the variance. These results provide partial support for H2: MAUT and ICM were supported at their reported levels, but TPB cannot be evaluated because its coefficient was absent.

MAUT explains how this joint evaluation may occur because moral attributes can enter utility alongside financial benefits. Its coefficient of 0.605 indicates that stronger perceived morality and personal importance of morality were associated with higher transaction values. This interpretation fits Giglio et al. (2025), who show that ethical, hedging, and return motives coexist among retail investors. However, the coefficient is significant only at 10% and is less robust than the CSR and ICM results. It may reflect heterogeneous preferences: some participants valued morality strongly, whereas others followed prices. Robust standard errors and participant-level heterogeneity tests are needed to determine whether the MAUT relationship persists.

The MAUT result suggests that participants incorporated perceived company morality and the personal importance of morality into subjective utility. The ICM result indicates that moral-issue salience and social consensus were somewhat stronger correlates of investment behavior. Because the coefficients are unstandardized, the small difference between 0.665 and 0.605 should not be treated as a definitive ranking of theoretical importance.

ICM offers a different explanation. Its coefficient of 0.665 indicates that perceived moral consequences and social consensus were associated with higher transaction values. Ethical investment behavior therefore depended not only on stable personal values but also on whether company conduct was recognized as a consequential moral issue. This mechanism helps explain the sharp separation between the CSR ratings of firms A, D, and E and those of B, C, and F. Garg et al. (2022) likewise emphasize moral norms and social influence in SRI decisions. Still, unstandardized coefficients cannot establish that ICM is substantively stronger than MAUT; standardized effects and confidence intervals are required.

The non-significant dividend control, combined with significant moral measures, suggests that participants emphasized moral considerations more than the stand-alone expected-dividend cue. However, this interpretation is confined to a short simulation with student participants and hypothetical currency. The marginal MAUT result is especially sensitive to heteroskedasticity and autocorrelation and should be confirmed with robust standard errors. The study also cannot claim support or rejection for TPB from the available output.

The missing TPB output is theoretically important. Subjective norm could explain part of the response because responsible investment is often presented as socially desirable. Yee et al. (2022) find that attitudes, subjective norms, perceived behavioral control, and regulatory evaluation shape renewable-energy investment intention. If TPB items were collected, omitting them may affect MAUT and ICM estimates when normative pressure correlates with moral utility or social consensus. If the items were unusable, the empirical claim should be restricted to MAUT and ICM. Restoring TPB would distinguish personal utility, moral intensity, and social expectations—related but non-equivalent mechanisms.

Practical Implications And Limitations

For companies, the positive CSR coefficient and higher prices of high-CSR shares indicate that clear CSR information can enter investor valuation. The significant interaction further suggests that financial prospects and CSR can reinforce one another. Firms should communicate verifiable environmental and social practices alongside credible financial information. For investor educators, the MAUT and ICM findings indicate value in discussing both personal moral utility and the consequences and social consensus surrounding corporate actions.

Finally, interpretation must recognize concerns about ESG credibility. Raghunandan and Rajgopal (2022) show that ESG fund labels do not always correspond to stakeholder-friendly corporate conduct. The observed premium may therefore depend on participants believing the supplied CSR profiles. In real markets, inconsistent ratings, selective disclosure, and greenwashing can weaken that belief. The practical conclusion is not that every CSR statement raises valuation, but that verifiable, decision-relevant CSR information can complement financial signals. Future

experiments could vary assurance, source credibility, or evidence of actual outcomes while retaining the investment-choice structure, helping identify whether the premium reflects moral approval, lower perceived risk, reputational expectations, or several channels together.

The design has several limitations. Student participants may not represent experienced investors, and bid–ask behavior in a short simulation may differ from long-term portfolio allocation. The models show heteroskedasticity and autocorrelation, and Model 1 also fails the normality test. The conventional OLS significance should therefore be rechecked with robust or clustered inference. Finally, the absence of TPB output prevents a complete comparison of the three proposed models.

CONCLUSION AND RECOMMENDATIONS

The experiment shows that CSR information materially shaped investment decisions. High-CSR status increased bid–ask values by 3.387 experimental currency units, and a high expected dividend added 0.597 to the CSR effect, producing a conditional CSR effect of 3.984. Expected dividend had no significant stand-alone effect. Moral decision making also mattered: MAUT was positive at the 10% level and ICM at the 5% level, whereas the dividend control remained insignificant. Model 1 explained 87.9% of investment-behavior variance and Model 2 explained 18.5%. These results support H1 and partially support H2, subject to diagnostic limitations and the missing TPB output. The central implication is that participants did not evaluate CSR and financial payoff as mutually exclusive; favorable dividend information strengthened the valuation premium associated with CSR. Before submission, the original data should be re-estimated with robust or participant-clustered standard errors, and TPB should either be analyzed and reported or explicitly identified as untested.

DECLARATION OF ARTIFICIAL INTELLIGENCE USAGE

During manuscript development, artificial intelligence was used to improve language and logical flow, identify recent literature, and check citation–reference consistency. The author(s) remain responsible for verifying the final data, analysis, citations, interpretation, and compliance with the target journal’s disclosure policy.

CONFLICT OF INTEREST

The author(s) declare no conflict of interest concerning the research, authorship, or publication of this article.

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