



Ph.D. Dissertation Defense

Candidate:	Ji Sui
Degree:	Doctor of Philosophy
School/Department.:	School of Business / Business Administration
Date:	Monday, April 10, 2023
Time:	2:00 – 3:30 pm EST
Location:	Online (Zoom: https://stevens.zoom.us/j/96430771795)
Title:	Three essays on social media disclosures
Chairperson:	Dr. Jing Chen, Accounting, School of Business Dr. Feng Mai, Information Systems, School of Business
Committee Members:	Dr. Anand Goel, Finance, School of Business Dr. Ting Liao, Systems & Software, School of Systems Engineering Dr. Andrea Rozario, Accounting, University of Illinois at Urbana Champaign

Abstract

The three essays presented in my dissertation defense focus on social media disclosures. They explore the informativeness of employees' textual reviews, the effects of shared values among employees, and the strategic behavior of social media environmental disclosures.

The first essay, *"Employee Satisfaction and Firm Credit Risk: The Information Content of Online Review Text"* proposes that employee satisfaction embedded in their textual comments on company review websites informs about firms' credit risk. We develop and examine measures of three employee satisfaction dimensions: economic value (i.e., compensation and promotional opportunities), interest value (i.e., cultivation of innovative products and services), and social value (i.e., quality social relationships at work). We find jointly the three employee satisfaction dimensions are useful to assess the firm's credit risk, and the more satisfied employees are with the economic value dimension or the interest value dimension, the better the firm's credit rating. Yet the more satisfied employees are with their social relationships at work, the worse their firm's credit rating is. Further investigations reveal that the association between employee satisfaction embedded in textual reviews and the firm's credit risk varies with the diversity of the reviewer base, the attributes of employees, and the type of credit news.

The second essay, *"Are All Happy Employees Alike? Dispersion in Employees' Opinion and Firm Performance"*, provides novel archival evidence that shared values among employees are associated with their firms' future operating performance. While prior literature pervasively examines the level of employee satisfaction, the tone in their textual reviews, and the effects of value congruence between employees and organizations, little empirical literature has been done on the value congruence among rank-and-file employees. Using the dispersion in employees' opinions as a proxy, we find that both the employee rating dispersion and the topic dispersion are negatively associated with the firm's subsequent operating performance, and the dispersion in employees' opinions has a stronger association with the firm's subsequent performance when the reviewing employees have certain attributes and when the reviewers' base is more diversified. Consistent with organizational studies, our paper indicates that when employees share more similar values, the better the firms perform.

The third essay, *"ESG/CSR Strategic Disclosures: A Literature Review and New Evidence from Social Media"*, reviews the current research on Environmental, Social, and Governance (ESG) and Corporate Social Responsibility (CSR) with a specific emphasis on strategic disclosures. While the literature provides a comprehensive understanding of the definition and incentives behind strategic ESG/CSR disclosures, we find conflicting empirical results regarding whether firms and financial institutions follow through with these disclosures. We conduct an empirical investigation using a novel dataset and annotated social media messages. Our results show that our fine-tuned model outperforms the pre-trained model in identifying and analyzing ESG/CSR disclosures in social media messages. Furthermore, we find no evidence that more social media environmental disclosures are associated with better environmental performance. Social media engagement could alleviate firms' greenwashing behavior.