Inter-disciplinary Conversations

One Phenomenon, Two Disciplines: How Strategy and Finance Build Different Research Stories

Sanchit Jain[1] Divyam Jain[2]

IIMB Strategy Brown Bag, October 2026

[1]IIM Bangalore and Ahmedabad University.
[2]IIM Ranchi.

Holding the phenomenon constant

1
Match

Highly cited FT50 papers on the same phenomenon, one from each field

2
Pick

Five shared phenomena: CSR, climate exposure, climate-risk disclosure, gender and early-stage investment, generative AI

3
Compare

Research question, mechanism, measurement, design, outcome, claimed contribution

Same story, two fields: ESG and CSR

	S&E: On the relation between corporate social responsibility and financial performance (SMJ, 2020)	**F&A: Social Capital, Trust, and Firm Performance: The Value of Corporate Social Responsibility during the Financial Crisis (JF, 2017)**
Question	Is CSR linked to financial performance once firms are benchmarked against industry peers and endogeneity is addressed?	Does social capital, measured by CSR, pay off when trust in firms and markets collapses?
Theory	Conflicting prior evidence; best-in-class and worst-in-class CSR firms benchmarked against industry peers	Social capital builds trust, so it pays off most in an unexpected low-trust period
Data	MSCI ESG (KLD) ratings on seven CSR dimensions; larger firms; Fama-French 48 industries	MSCI ESG ratings, about 3,000 large US firms; five CSR categories at end-2006
Outcome	Operating performance (OIBD/TA) and Tobin's Q relative to industry peers	Raw and abnormal returns in the 2008-09 crisis; later profitability, growth, debt
Estimation	Industry-year fixed effects, then 2SLS with a geography-based instrument	Cross-sectional regressions with industry dummies and four-factor loadings; placebo tests
Result	Best-in-class firms outperform on operating performance and valuation; only the valuation premium survives the instrument	High-CSR firms earned 4 to 7 pp higher crisis returns, with higher profitability and growth

Reading: Same question about whether CSR pays: strategy challenges causality with benchmarking and instruments; finance identifies when it pays using a trust shock.

Same story, two fields: Generative AI

	S&E: Generative artificial intelligence and evaluating strategic decisions (SMJ, 2025)	**F&A: Can ChatGPT forecast stock price movements? Return predictability and large language models (JFE, 2026)**
Question	Can LLMs evaluate strategic alternatives, and how close do they get to human experts?	Can an off-the-shelf LLM read a headline and predict the market's reaction and drift?
Theory	Strategic foresight; individual versus aggregated evaluators (diversity, scaling)	Market efficiency, underreaction, information-processing limits, limits to arbitrage; formal model
Data	Two studies of 60 business models each: AI-generated (pre-registered) and competition entries	News headlines on common stocks, Oct 2021 to May 2024, after the model's training cutoff
Benchmark	Human expert rankings (pairwise comparisons)	Realised stock returns
Result	Single evaluations inconsistent and biased; aggregation raises agreement with experts, mainly by scaling	About 90% hit rate on initial reaction; predicts drift; returns fall as LLM adoption rises

Reading: Same technology, different test: agreement with experts on decisions with no ex-post truth, versus prediction of an observable market outcome.

Same story, two fields: Climate risk disclosure

	S&E: Shareholder activism and firms' voluntary disclosure of climate change risks (SMJ, 2021)	F&A: Climate Risk Disclosure and Institutional Investors (RFS, 2023)
Question	Can shareholder activism elicit voluntary climate-risk disclosure?	Do institutional investors value and demand climate-risk disclosure, and does their ownership improve it?
Theory	H1 activism raises disclosure; H2 more if institutional; H3 more if long-term institutional	Conceptual framework: three groups of climate-conscious investors expected to demand more disclosure
Data	CDP disclosures 2010-2016, S&P 500 firms, merged with ISS shareholder proposals	Survey of institutional investors (439 responses), CDP disclosure, holdings data, many countries
Estimation	Baseline regressions, then two-stage least squares for activism	Panel regressions on ownership groups; shock to French investors' disclosure demand (Article 173)
Result	Activism raises disclosure, most from long-term institutions; disclosers valued higher afterwards	Strong stated demand; climate-conscious ownership goes with better disclosure; Article 173 supports a causal role

Reading: Same story (investors pushing firms to disclose) through different actors: activists filing proposals versus institutions stating preferences and holding shares.

Same story, two fields: Gender and early-stage investors

	S&E: Don't Pitch Like a Girl!: How Gender Stereotypes Influence Investor Decisions (ETP, 2019)	**F&A: Are early stage investors biased against women? (JFE, 2020)**
Question	Do investors prefer men-led ventures, or react to gender-stereotyped behaviour in the pitch?	Do early-stage investors show gender bias in expressing interest in startups?
Theory	Gender role theory; H1 preference for men; H2a masculine behaviours help; H2b feminine behaviours hurt	Taste-based and statistical discrimination; alternative explanations (screening advantages, risk preferences)
Data	185 one-minute pitches (video), university competition 2007-2008; 18 venture-capital judges, 3 women	AngelList first-time fundraisers, US startups founded 2010-2015; investor shares, introductions, investments
Outcome	Whether judges pick the venture as a finalist, related to coded pitch behaviours	Investor interest by male and female investors; later startup performance
Result	Being a woman does not lower interest; feminine-stereotyped behaviour does, for men and women	Male investors show less interest in female founders, female investors more; male-interest startups underperform

Reading: Opposite headlines: behaviour, not sex, matters in a small observed pitch setting; sex matters, by investor gender, on a large field platform.

Same story, two fields: Climate exposure

	S&E: Physical climate change exposure and firms' adaptation strategy (SMJ, 2025)	F&A: Firm-Level Climate Change Exposure (JF, 2023)
Question	Do firms adapt to physical climate exposure, and for which firms?	Can firm-level climate exposure be measured from earnings calls, and does it predict outcomes?
Theory	Four hypotheses: more forecasted exposure, more adaptation; via perceived impact; stronger with ESG capabilities and long horizons	No numbered hypotheses; validation of a new measure (face validity, audit, variance decomposition)
Exposure	Forward-looking physical climate scores at facility level (climate science)	Attention of call participants, from a machine-learning bigram method; opportunity, regulatory, physical
Outcome	Disclosed adaptation strategies (CDP), hand-coded into 23 categories	Green-tech jobs, green patents; pricing in options and equity markets
Data	CDP-disclosing public firms worldwide, 2011-2017	Earnings-call transcripts 2002-2020, 10,000+ firms, 34 countries
Estimation	Firm-exposure-year OLS with firm, exposure, year fixed effects	Poisson with industry-year fixed effects; validation tests

Reading: Same phenomenon, opposite ends: strategy explains the response to exposure; finance builds the exposure measure and tests what it predicts.

Same phenomenon, different logic

	Strategy	Finance & Accounting
Theory	Mechanisms, constructs, moderators, boundary conditions	Parsimonious economic mechanisms and models
Questions	Why, how, when and for whom	Measurement, identification, market consequences
Evidence	Organised around theory	Organised around identification

The fields converge on *what* they study,
but not on *how* a contribution is built.