

# Do Corporate Taxes Affect Workplace Safety?

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## *Abstract*

We examine how workplace injury rates change when firms are subject to a corporate tax shock. We find that tax increases lead to a significant increase in reported injuries, but tax decreases have no similar effect. Our difference-in-differences empirical strategy relies on staggered state-level corporate tax changes that exploits spatial discontinuity in treatment and control establishments located in contiguous border counties within the same firm. The results are strongest in industries with low union bargaining power, for firms with high marginal tax rates, poor safety culture scores, firms that barely meet or beat analysts' earnings forecasts and firms that hire seasonal workers. Our results suggest that tax increases lead to real effects at the expense of employees, with no similar benefit accruing for tax cuts.

JEL Classification: G30; H25; H32; J28; K32

Keywords: workplace safety, employee welfare, corporate taxes, natural experiments

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# Me Too: Does Workplace Sexual Harassment Hurt Firm Value?

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## Abstract

We investigate the impact of workplace sexual harassment on firm value. We estimate firm-level prevalence of sexual harassment through textual analysis of employees' online job reviews, and find a high sexual harassment (SH) score leads to lower future stock returns. During 2011-2017, the value-weighted hedge portfolio formed on SH earned a five-factor annualized alpha of 23.4%, or a shareholder value loss of \$1.99 billion per year for each harassment-prone firm. These results indicate that sexual harassment has a strong damaging impact on firm value, but investors are not fully aware of the costs associated with sexual harassment.

**Keywords:** sexual harassment, corporate culture, stock returns, textual analysis, underreaction

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**"Responsible organizations dealing with invisible workplace norms:  
when the responsibility process collides with the “ideal worker”  
norm"**

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**ABSTRACT**

Although corporate social responsibility (CSR) can affect employees, we know little about *how* it affects them. There is an increasing need to shed more light on the impact of internal corporate social responsibility (CSR) practice on employees and their behavior in the workplace. The purpose of this article is to understand how employees experience CSR policies (in this case, work-life balance (WLB) programs) in relation to the “ideal worker” norm. The “ideal worker” norm refers to the image of the most desirable worker as one who is totally committed to, and always available for his or her work. This article draws empirical evidence from a research study that was carried out in two companies with the aim of capturing the perceptions of 44 employees in relation to the implementation of WLB policies. The results show that the positive perception and active use of WLB programs is influenced by the ideal worker norm, work identity and organizational support.

**Key words:** internal CSR; ideal worker norm; work-life balance; work identity