

Go green, give a boost to employee morale

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In a global recession, most people are thankful to have a job, but a new study published in *Interdisciplinary Environmental Review* suggests that employees are more likely to be satisfied with their jobs if they are working for a company that is perceived to be "green", whereas the financial performance of companies fails to correlate with employee happiness.

Cassandra Walsh and Adam Sulkowski, both of the Charlton College of Business at University of Massachusetts Dartmouth, wanted to know whether employee morale is typically affected when a company is perceived as taking steps to be more environmentally benign, or whether the company's financial performance has a greater effect on employee happiness.

There has been little research until now in this area. Common sense might suggest that employees who place value on environmental performance may be happier working for companies whose perceived performance in this area are congruent with their beliefs. Likewise, employees' satisfaction may be related to a firm's financial value: employees of firms with solid financial performance may be more satisfied with their jobs than are employees of firms with mediocre financial performance. To test their hypotheses, the team analyzed data on employee satisfaction and perceived environmental responsibility from 113 companies and thousands of [employees](#) using regression analysis. The same test was repeated using the employee satisfaction data and company financial performance metrics.

"The results of the analysis indicate a significant positive relationship between employee satisfaction and level of perceived environmental performance," the team says. "This study does not find a significant relationship between employee satisfaction and firm financial value."

This research suggests that companies would be well-advised to engage in communication efforts such as [sustainability](#) reporting (also known as [corporate social responsibility](#) - CSR - reporting, or environmental, social, and governance -ESG - reporting). By credibly communicating about environmental performance and positive efforts to become more environmentally benign, a company is likely to improve employee recruitment, retention, and morale.

More information: "A greener company makes for happier employees more so than does a more valuable one: a regression analysis of employee satisfaction, perceived environmental performance and firm financial value" in *Int. Environ. Rev.*, 2010, 11, 274-282.

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