

Corp. social responsibility programs have little impact on stocks: study

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Stocks of companies that are committed to corporate social responsibility (CSR) policies perform statistically similarly to those corporations that do not have these programs, according to a new study by Ben-Gurion University of the Negev researchers.

These findings were presented at the Ninth Annual International Conference on Business Accounting, Finance, Management & Marketing in Athens last month by Zvi Amrousy, an MBA student at Ben-Gurion University of the Negev. Some of the factors that define CSR include a company's environmental impact, its interaction with the local community, as well as how it treats its workforce.

"While the CSR field has grown rapidly, the research findings on their impact on stock prices are inconsistent and ambiguous," Amrousy says. "We decided to explore and test the relationship between CSR and financial performance."

The study found that there was no statistical difference between the [stock](#) performance of these companies and their counterparts, and that investors who are targeting CSR investments may do so knowing they will perform similarly to non-CSR investments.

The researchers reviewed extensive data on 39 companies listed on the U.S. Dow Jones Sustainability Indexes from 2004 to 2009 and 19 companies listed on the Israeli MAALA CSR Index from July 2010. Amrousy, an MBA candidate at BGU's Guilford Glazer Faculty of

Business and Management, conducted this study as part of his master's thesis under Prof. Rami Yosef, Dr. Ilanit Gavious and Dr. Hagai Katz, all of the Department of Business Administration.

Although the BGU researchers didn't detect a difference in the statistical performance of CSR companies, they believe that greater importance is being placed on these policies and that investors will ultimately seek out companies with these initiatives. "Profits are no longer enough," says Amrousy.

Provided by American Associates, Ben-Gurion University of the Negev

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