

Churchgoers mostly favor socially responsible companies, study finds

October 3 2013

Company managers wondering if they should disclose their involvement in environmentally and socially responsible ventures might first want to observe how many people near their headquarters attend church.

Paul Griffin, a professor at the University of California, Davis, Graduate School of Management, and Yuan Sun, a professor at Boston University, School of Management, find in a new paper that there is a reliable association between religious adherence and affiliation, and voluntary [corporate social responsibility](#), or CSR, disclosures.

The research showed that companies in areas of high concentrations of people who practice religion engage in more environmental disclosure as opposed to social welfare disclosure. Companies also disclose more CSR information when the population near the corporate headquarters has more nonevangelical Christians than evangelicals. The authors reasoned that this might be because some evangelical organizations promote skepticism of [climate change](#) science and embrace more conservative social and political values than their nonevangelical counterparts.

"Most [religious communities](#) identify climate change and social welfare as critical contemporary concerns, and many religious groups actively adopt policies and actions to remedy the perceived social and economic injustices that result therefrom," said Griffin. "But we did notice that companies' CSR practices seemed to depend on whether more evangelical Christians versus nonevangelical Christians lived near the headquarters."

Further, the study finds that stock portfolios reflecting more investment in environmental interests and less investment in social welfare interests generate significantly positive excess returns during the one to three months following such disclosures.

The research was conducted primarily using data found in disclosures reported by the CSRwire news service and other public records.

Griffin explained one main message of the research. "Churches and other religious organizations might consider promoting voluntary CSR disclosure as a means to better align corporations' actions with communities' beliefs about environmental protection and [social welfare](#)," he said.

"We simply do not know whether religious communities' efforts to increase corporate [disclosure](#) might have the desired effects on corporate behavior. But if religious communities' resources are to be well spent, that knowledge is crucial."

The paper is titled "Voluntary Corporate Social Responsibility Disclosure and Religion."

More information: papers.ssrn.com/sol3/papers.cfm?abstract_id=2329223

Provided by UC Davis

Citation: Churchgoers mostly favor socially responsible companies, study finds (2013, October 3) retrieved 27 April 2024 from <https://phys.org/news/2013-10-churchgoers-favor-socially-responsible-companies.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.