

Renewable energy: Research reveals more than industry truths

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Throughout his academic career, Dr. Alexander E. Ellinger has conducted research that seeks to quantify the value of strategic decisions to aid decision making in industry. After publishing more than 70 articles in peer-reviewed academic journals, this Culverhouse professor of marketing and supply chain management knows which studies are of particular significance. He believes his latest co-authored research reveals multiple truths about what happens when organizations make critical investments in purchasing renewable energy.

Ellinger's most recent collaboration, "An Assessment of the Association Between Renewable Energy Utilization and Firm Financial Performance," forthcoming in the *Journal of Business Ethics*, finds that U.S. companies that buy the most [renewable energy](#) consistently outperform their industry rivals on [financial performance](#).

The research project also highlights the payoff associated with The University of Alabama and Culverhouse's substantial investments in graduate programs and the Faculty Scholars program.

As Ellinger says, "I think Culverhouse constituents would be most interested in the backgrounds of all the different players that co-authored this paper."

University Investments

Ellinger is Culverhouse's Frank Schultz Professor of Business Administration and co-director of the Supply Chain Institute. As senior member of the paper's five-person research team, he says the study illustrates how firms profit from using sun, wind and water-related power sources. He adds that the study also shows how industry, academia and public interests profit from the University's investments in next-generation leaders.

"I started working with co-researcher Hyunju Shin, Ph.D. when she was my doctoral student here four years ago," says Ellinger. "Now she's an assistant professor of marketing at Georgia Southern University." Shin completed her bachelor's degree in Korea, and both her master's and Ph.D. at Culverhouse. She has joined the growing ranks of professors across the nation with Culverhouse degrees.

Shin's research skills were complemented by what Ellinger calls the "great expertise" of the third author, Helenka Hopkins Nolan. Nolan, a 12-year international business lecturer for the University, received an MBA at Culverhouse. Her HHN Consulting energy strategy company is a Tuscaloosa-based firm.

Ellinger says he is particularly proud that one of the paper's co-authors is a Culverhouse undergrad. Tyler D. DeCoster, an accounting major, worked on the project as Ellinger's Faculty Scholar. The Faculty Scholar program was created for gifted undergraduates.

"This might be one of the first papers published with a Faculty Scholar as a co-author," says Ellinger.

"During this process Tyler developed great aptitude for going into data bases and collecting information." The group compared the financial performance of large firms identified as exceptional users of renewable energy in the EPA's Fortune 500 Top Green Power Partners with that of

industry rivals over a seven-year period.

Industry Investments

Ellinger believes these research findings can influence industry leaders. Executives may be impressed when they learn what happens when firms like Walmart commit to using [renewable energy resources](#), rather than relying solely on coal and oil.

"Decision-makers are mostly influenced by data and outcomes," says Ellinger. "This study indicates a very favorable financial association with purchasing renewable energy. The robust findings should also influence consumers' support for firms that make investments in renewable energy. It's not just a 'tree hugger' thing. Renewable energy can make a difference. Firms are finding that renewable energy has benefits socially, environmentally and financially.

"This provides evidence for companies to take into consideration when making decisions about their energy uses and purchases."

Provided by University of Alabama in Tuscaloosa

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