The Globalization of Corporate Environmental Transparency

By

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All interested are welcome
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Abstract

Despite the increasing prevalence of corporate environmental disclosures, there remains substantial heterogeneity in the extent to which corporations reveal their environmental impacts. In this paper, we explore the sources of this heterogeneity by seeking to identify key country- and organization-level determinants of corporate environmental transparency. Our theoretical perspective is rooted in institutional theory, and we have three sets of predictions. First, drawing on global society research, we argue that global embeddedness through processes including: a) country membership in international non-governmental organizations (NGOs), b) the degree to which each country’s citizenry has access and exposure to the global society, and c) companies’ foreign exposure through stock market listing will be associated with greater corporate environmental transparency. Second, normative perspectives on legal environments and social movement traditions suggest that stringency of national environmental laws as well as the laws protecting political and civil rights would also be associated with greater corporate environmental transparency. Finally, at the organization-level, we also hypothesize that key organizational characteristics will allow corporations to either resist or be more likely to acquiesce to these institutional pressures. Notably firms’ size and environmental damage created, will affect their strategic interests and visibility and as a result moderate corporate responsiveness to transparency pressures. We test our hypotheses using a novel panel dataset of 4628 large public companies in many industries headquartered in 44 countries, during 2005-2008. Controlling for a host of organizational, industry, and national characteristics, we find evidence for most of our hypothesized relationships.
Bio of Dr Chris Marquis

Chris Marquis is an Associate Professor in the Organizational Behavior unit at the Harvard Business School and is affiliated with the HBS Social Enterprise Initiative. His current research is focused on the topic of corporate social responsibility (CSR) and in particular how historical and geographic processes have shaped firms' CSR strategies and activities. He has published papers on how local businesses influence the growth of different types of non-profit organizations in US communities, and is currently working on a number of projects that assess how organizations can be designed to maximize both business and social value. He has also published a series of HBS cases focused on the strategy and implementation of CSR activities. This research builds on Marquis’ earlier work that analyzed how firm behavior is shaped by broader contexts such as embeddedness in geographic communities and how environmental conditions during founding periods leave a lasting imprint on organizations. This earlier research examined the effects of these processes in the contexts of community-based social networks and the evolution of the US banking industry.


Marquis received a BA in History from Notre Dame, MA in History and MBA in Finance from Pitt, and MA and PhD in Sociology from Michigan. Prior to his academic career, he worked for 6 years in the financial services industry, most recently as Vice President and Technology Manager for a business unit of Bank One Corporation (now J.P. Morgan Chase). Marquis is on the Advisory Board of PNC Financial’s $100,000,000 CSR initiative, Grow Up Great and advises a number of other large global companies on their CSR initiatives.