

THE PROFILE OF CSR DISCLOSURE AS PRESENTED ON ROMANIAN COMPANIES' WEBSITES

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Abstract

In this paper we present the main findings of a study on CSR disclosure by companies operating in Romania. Starting with the statement that an important incentive for social responsibility actions is represented by creating a good reputation for the company, we would expect high online visibility of these initiatives. More, based on the information available on companies' websites we aimed at creating a typology for the CSR actions in Romania. Consequently we investigated websites of all large companies in Bihor County and the top 100 largest companies in Romania based on turnover. The analysis was systematized on the following information: concepts used, types of actions organized, reference stakeholders, elements of reporting. The conclusions are rather contradictory to the starting argument: for Romania the main driver for CSR actions seems to be the example and standards set by multinational companies not a PR strategy. Consequently such actions are less visible online and are not systematically reported. More, in many cases the lack of promotion or link between a company to a social cause indicates that CSR is the result of a social orientation of the owners or managers of companies. The concept most used in practice is sustainability, in some cases divided between environment and social components. The areas in which companies are most active are the environmental protection, sports and generally community development projects.

Keywords: corporate social responsibility, sustainable corporation, social philanthropy, CSR disclosure

JEL classification: M 14

Introduction

This paper reflects the efforts of a larger study regarding the social involvement of organizations in Romania. It is a work in progress study aimed at identifying factors stimulating or hindering such involvement of companies in Romania. We define social involvement as the contribution of businesses to the production of social goods, mainly as a response to stakeholder expectations. Under this concept we focus on concrete actions conducted by organizations, and not the general social orientations or the public display of social objectives if these are not followed by actions. In this study only firms were considered, however a socially responsible stand can be observed in the case of public institutions as well.

This paper is the result of an exploration of the analysis of web pages of companies in order to analyze the way social actions are reported (Baleanu et- al. 2011). We chose to investigate the web sites of all 54 large companies with activity in Bihor County, and also the largest 50 companies in Romania based on their turnover. This analysis reveals the

high diversity of the way social actions are seen at the level of companies, confirming the conclusion of previous research regarding the lack of maturity of Romanian firms referring to CSR (Ilies, 2011). As we will argue, CSR is a phenomenon focused upon mainly by multinational companies, the disclosure of related aspects can be found solely on the mother company with little visibility of the actions in Romania.

More, some of the information that can be gathered from the companies' websites is proven in some cases insufficient. In the case of large companies from Bihor county, due to the direct information of the researchers the CSR related information on the websites was inconclusive. We knew about social actions of some of these firms, information that is not presented online. Consequently we considered that it is possible for other enterprises be socially involved without disclosing such information online. In order to fill in this gap we chose to investigate also the local press searching for articles presenting such actions. Due to time limitations this content analysis focused on one newspaper from Oradea, articles published in 2013. This analysis is reflected in the second part of this article.

1. CSR and CSR disclosure

Social responsibility and largely the business-society relationship has gained more and more attention in the past 50 years. It is considered that businesses have a duty towards society and their contribution is viewed as significant for the wellbeing of society. The definitions of the CSR consider it a phenomenon by which companies act beyond their economic and legal attributions towards achieving social and environmental aims, associated to sustainable development (Dahlsrud, 2006). Nonetheless, several studies revealed the inconsistency in utilization of the related concepts (Garriga and Mele, 2004) as well as the identification of the concrete actions which should be considered when one defines a socially responsible company (Dahlsrud, 2006).

As argued before (Saveanu and Abrudan, 2014), corporate social responsibility (CSR) is in many aspects a too broad concept with little empirical clarity. Social involvement is more grounded as it reflects concrete actions, nonetheless social remains a broad area. We refer broadly to social involvement, covering all terms as corporate social responsibility, corporate social performance, sustainability, sustainable organization, and corporate citizenship. We define social involvement as the contribution of organizations at the production of collective goods as a response to stakeholders' expectations. Due to the time frame it is often hard to measure the long term impact of such involvement (Barth et. al., 2007).

The main limit in the analysis of these aspects resides in the impact assessment. As some of practitioners and theoreticians consider there are direct benefits for the company making such investments. Some studies claims that social investments would improve the companies economic performance, however the link is far from being proven by data (McWilliams et.al., 2005).

More, as a consequence of the fact that the positive outcomes are hardly to be revealed, critiques to the idea of social involvement of companies claim that these actions are purely PR strategies (Banerjee, 2004). Such actions are initiated in order to satisfy some expectations of clients or stakeholders, however again the effect of such pressure of stakeholders is far from being proven. Even if both practitioners and theoreticians expect that consumers may amend companies that are socially irresponsible and more, would chose products or services from companies which display some form of social involvement, studies are not conclusive in this direction (McWilliams & Siegel, 2001; Aguinis and Galvas, 2012).

Given the contradictions and critiques of what social responsibility on behalf of companies' means, some scholars refer directly to CSR disclosure and avoid all pro and con discussions, looking at the core of the problem. However these are defined social actions are initiated or funded by companies and looking solely to the way these are presented to the public sheds a different light on these aspects. By CSR disclosure we refer to the

public presentation of information regarding CSR actions or policies (Gamerschlag et. al., 2010).

We expect that companies promote social actions or the philanthropy online, especially on their own websites. Based on this information we aimed at creating a typology of concrete actions undertaken or financed by companies with activity on Romania. This typology would reveal both the domains of involvement (sports, health, education etc.) and the forms this involvement takes (direct action, sponsorship, partnerships etc). Based on this analysis we expect to distinguish profiles of companies in terms of their interests in CSR, and consequently we may identify factors stimulating such involvement for each type. However, as shown in the analysis section this could be only partly be done, and solely regarding the patterns of CSR disclosure. The information available on CSR action is fragmented and incomplete.

Our investigation was based on conclusions of previous studies on Romanian CSR which attest the lack of maturity in this regard. This phenomenon is mimetically taken from other countries, starting with multinational companies (Ilies, 2011; Baleanu et. al., 2011). However, there is significant evidence that there are particularities of this phenomenon and that the motivations of managers would shed light in this manner. The fact that small and medium enterprises in Romania display a significant interest in social involvement (Saveanu and Abrudan, 2015) support the idea that there are genuine social actions, besides the ones initiated by copying the international examples. This is the underlying argument for conducting the analysis of the profile of CSR actions of Romanian companies.

2. The exploration of CSR disclosure of large companies in Romania

2.1. Methodological aspects

The investigation of CSR disclosure started with the search of online available information on companies' websites. The criteria for selecting the companies were opportunistic: first I analyzed all the 54 large companies from Bihor County in 2013. The list was available at the National Agency for Fiscal Administration and was accessed on February 2015 (<http://static.anaf.ro/static/10/Anaf/listesubunitati/mari2014.pdf>). To complete the information we chose to analyze also the websites of large companies at the level of the country. Consequently we analyzed the first 50 largest companies based on their turnover in 2013, as presented on the www.doingbusiness.ro. The search for information was systematized following a data grid which was filled in for each visited website. We looked for information using all concepts related to CSR: social responsibility, sustainability, citizenship and so on. The data was searched in the main menu of each website and also at the sections regarding news/events/PR or related.

This data was then completed with a content analysis on the CSR related articles published in mostly read local newspaper. As a conclusion of the investigation of CSR disclosure on companies' websites we have noted that there are actions which are not presented online. Due to the partnership of our institution with some of the companies in the county, we have knowledge of more CSR action than the one presented on companies website. We investigated the news in order to reveal other actions, completing the image of social responsibility of companies. In this article we present first the results of CSR disclosure on companies own websites and then the analysis of the indirect information relating to these aspects.

2.2. ANALYSIS OF CSR RELATED INFORMATION POSTED ON COMPANIES' WEBSITES

As presented in figure no. 1, most companies (41 out of 104 analyzed) do not have information regarding social responsibility on their websites. Nevertheless an important number of firms promote such information on the international or original company. Among the largest Romanian companies by turnover only 11 have this information posted. However the low rate of promotion of this information shows reluctance regarding this field, which may originate either from lack of such shares or poor integration into corporate strategy.

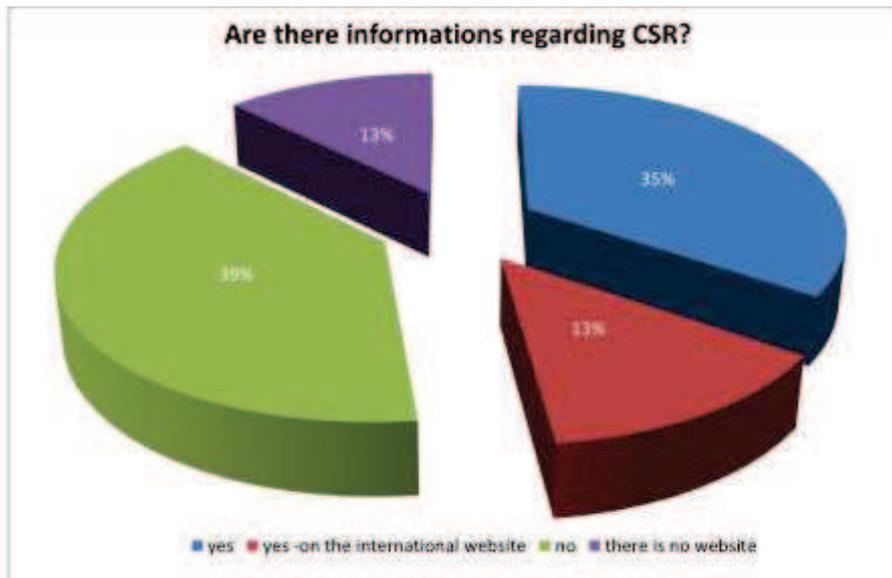


Figure no. 1. The distribution of firms depending on the disclosure of CSR on their own websites

Among large firms in Bihor only 3 have this information posted (Benvenuti, Selina and Bihar roads - these last two having common sites as they are part of the same group). Other 8 companies from Bihor present information about social responsibility on the parent company's site. Even so, the visibility of the company's social involvement has a quite low incidence among these firms.

If we look at how this information is promoted, even where companies have social responsibility button/section they post general information like goals or courses of action. The way it is structured such information varies greatly: some structure it on lines of action (sport, culture, environment, community development, etc.), others on stakeholders (employees, customers, community, etc.) while others have a mixture of the two types. Most of the times there are presented direct actions organized as lists of articles describing the action. Big companies have separate sections from the main menu, quite different for CSR, but often the information is presented in the description of the company (sections about, the company, who we are etc.).

Analyzing only the companies that have websites we note that if there is information about social responsibility it is grouped in a section devoted to these issues - see Figure no. 2. The degree of structuring this type of information on these sections differ, as mentioned above, but are found either in the section *responsibility*, either *sustainability* or *CSR*. Some companies call these sections with a name adapted to their company, such as *sustainable mobility* in the case of Michenin, or *Ford and the community*. Others show this type of information in sections on PR or marketing. There are several companies that do not have

a specific section or part for the description of social actions undertaken, yet these are listed in the *events* or *media* sections.

In the case of the studied firms the most often used is the concept of sustainability, followed by the generic responsibility. In most cases both responsibility and sustainability are divided in separate sections between the environmental and social component.

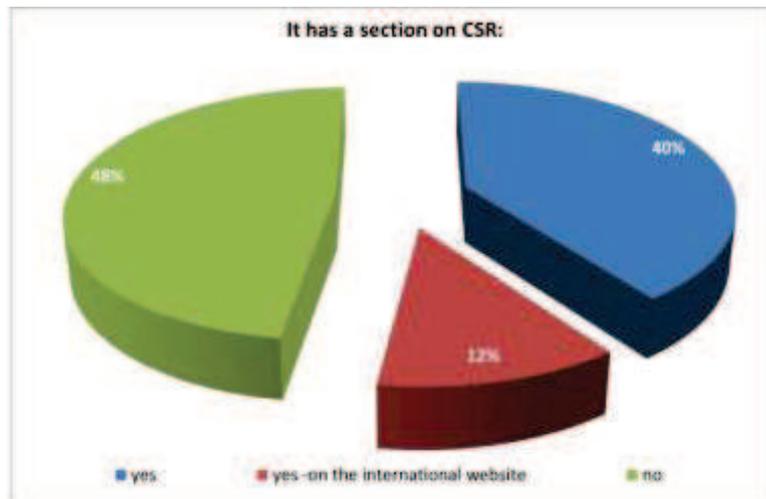


Figure no. 2. Distribution of firms depending on the existence of a CSR section on their websites

Regarding stating concrete actions to create a typology CSR we must note that they are presented in a lesser extent. Only 30 webpages lists the actions, including sponsorships offered to various social causes considered (providing supplies, equipment for schools or hospitals) etc. This information can be found partly also in CSR or GRI reports, but it also may be about smaller local initiatives that are not officially reported. For example Celestica (an IT equipment factory, one of the large companies activating near Oradea) does not present any CSR actions for Romania (in the CSR report Romania is mentioned 3 times for 2013) but in Bihor County were several activities organized by them. Consequently, we decided to complement this information with content analysis of appearances in local media to see activities are promoted in addition to what has been identified on the websites.

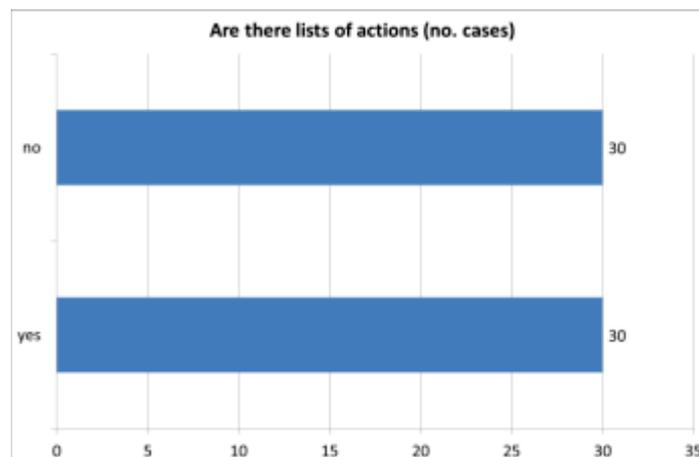


Figure no. 3. Distribution of firms on lists of CSR activities presented on their websites

It is also interesting to note that CSR reports could be found in very few cases, especially referring to Romanian companies - only five posted such reports. Most (74) of surveyed companies which have websites, do not have access to such reports, which support the conclusions of previous studies about the lack of maturity of social responsibility processes in the companies in Romania. Even considering the “mother company” website there are only 9% of the investigated firms which post such reports.

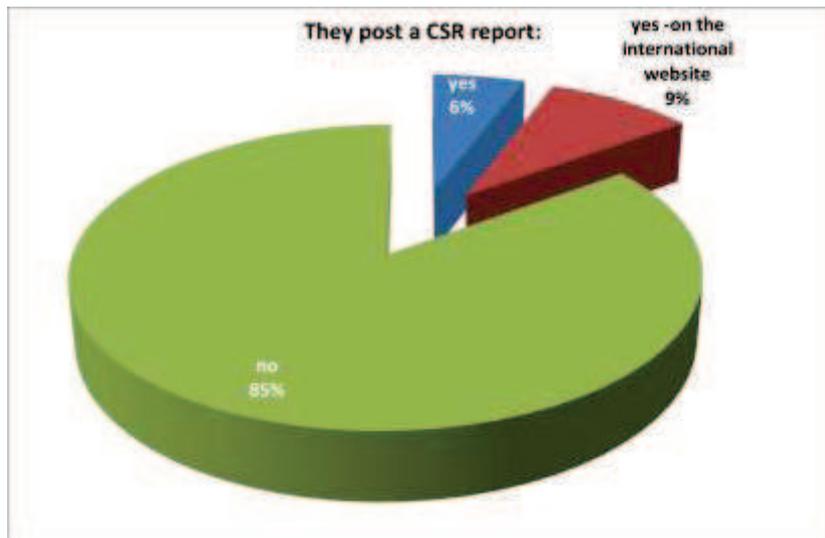


Figure no. 4. Distribution of firms on the existence of a CSR report on their websites

2. CONTENT ANALYSIS ON CSR RELATED ARTICLES IN THE LOCAL PRESS

The analysis of the websites of large companies active in Bihor County has proved that not all the information on these actions is available. For example Celestica company with factory in Oradea, has numerous actions with impact in the community (which is also demonstrated by the presence on the CSR map developed on the csrmedia.ro platform) but the company itself does not have a page Romanian and on the website of the main large they do not described local actions (Romania is mentioned twice in the report CSR, in a rather general manner). Therefore we decided to complete the picture created on the social involvement of organizations in Bihor County with information on the subject advertised in the local press.

With this goal we have analyzed all articles published in the most important newspaper in Oradea - Bihorean Journal online edition. We chose as the reference year 2013 because we wanted to control this data on sponsorships and donations are for this year. Data posted on the websites were not selected by period, but the reference year for CSR reporting, where the case was still 2013. Few companies have already posted 2014 report. There is a total of 45 articles on social involvement throughout 2013, which would indicate disinterest at least to promote such initiatives. Considering the domains covered by the activities reflected in the news the most frequent was sports (20 articles about different sports cups) supported or sponsored by companies in Bihar. The following are articles on charity (8), their number being higher in December. The articles on health and culture are of 5 respectively, reflecting sponsorships offered for such goals. The less articles are related to highlighting internships or organizing training by firms.

It should be noted that those articles were selected that focus on business involvement in the community. There may be other sponsored activities organized by NGOs, but if no sponsors were mentioned in the article we did not count it as relevant information.

However, first the relatively small number of information on these issues reveals the low importance given to it by journalists. More, the fact that there are actions that are not promoted nor on their websites or in local media indicate firstly that these actions are undertaken for purposes other than simple advertising. We will require more detailed information on social involvement of large firms in order to see how many actions are actually without being promoted through regular channels in this regard. We believe, based on the data presented here, that firms socially involved do not respond to a need to promote the company. The motivations of this involvement, as discussed in previous reports must be sought elsewhere, especially in the explanations of the managers of these companies' explanations.

Conclusion

The data on social responsibility of the studied companies' active in Romania is incomplete in order to make a typology of such actions. The main conclusion that can be stated based on this social disclosure analysis is that companies in Oradea do not aim these actions to gain the public approval, as their advertising is rather limited. There are important forms of social involvement actions on behalf of companies which are not describe on their websites, both at the level of Bihor county large firms, as well as considering the largest companies in Romania on turnout. More, as it was studied for companies in Oradea, these actions are not promoted in the local press.

There are several possible explanations for this lack of information. First, it is possible that these actions are targeted towards the satisfaction of needs or expectations of specific stakeholders and the disclosure of these actions is targeted towards them. This explanation is in line with some other conclusion which proved that in the Romanian case measures of CSR is categorized on stakeholders groups rather than on the levels of CSR pyramid (Saveanu et. al., 2014). However targeting CSR disclosure to specific groups does not rule out its presentation on the company's website, so this is only partly possible. A second explanation is the lack of maturity regarding these processes: firms get socially involved sporadically, with no strategic aims and consequently they do not promote these actions as its not a priority for the company. More, they may not have personnel dealing with such issues, organizing CSR actions may fall into somebodies job however reporting may not. More, the motives may be purely altruistic and out of modesty or disinterest such actions are not promoted.

Understanding why CSR disclosure is so limited for Romanian companies, we must focus on the explanations of managers of these companies. More, identifying the motivations for this involvement may also provide insight in the patterns of CSR disclosure.

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