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Questa è la Versione finale referata (Post print/Accepted manuscript) della seguente pubblicazione:

Original Citation:

Motivations for Issuing Standalone CSR Reports: a Survey of Canadian Firms / Linda Thorne; Lois S. Mahoney; Giacomo Manetti. - In: ACCOUNTING, AUDITING & ACCOUNTABILITY JOURNAL. - ISSN 1368-0668. - STAMPA. - 27(4):(2014), pp. 686-714. [10.1108/AAJ-07-2013-1393]

Availability:

This version is available at: 2158/831113 since: 2015-09-17T13:28:28Z

Published version:

DOI: 10.1108/AAJ-07-2013-1393

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Motivations for issuing standalone CSR reports: a survey of Canadian firms

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Abstract

Purpose – The purpose of this paper is to provide insight into the companies' motivations to issue or not issue voluntary standalone corporate social responsibility (CSR) reports in the Canadian context.

Design/methodology/approach – The authors realized a questionnaire survey that asked Canadian companies why they do or do not issue standalone CSR reports, what their motivations and costs are, and the extent to which they comply with GRI guidelines.

Findings – The results show that larger firms issue standalone CSR reports. As larger firms have more political visibility and are subject to greater external scrutiny than smaller firms (Watts and Zimmerman, 1986), the findings indicate that firms primarily issue standalone CSR reports in response to external scrutiny by stakeholders, which is consistent with a stakeholder perspective. The survey also identifies that ancillary motivations for Canadian firms for issuing standalone CSR reports are consistent with legitimacy and signalling perspectives.

Research limitations/implications – The authors acknowledge that the generalizability of the findings is limited due to the sample being situated within a single national context. The inferences drawn from such a sample in Canada may not be applicable to other countries with different national institutional contexts. In addition, the small size of the sample may limit the generalizability of the findings. The authors also did not specifically consider the quality of the CSR reports in the study. Finally, the work may be affected by the inherent weaknesses associated with survey research, including the inherent bias of the individuals responding to the survey.

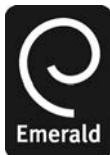
Originality/value – The research adds to the growing body of research on voluntary CSR disclosures, with particular reference to the Canadian context.

Keywords Stakeholders, Voluntary disclosure, Sustainability reports, Canadian companies, Standalone CSR reports

Paper type Research paper

1. Introduction

In the last two decades the production of corporate social responsibility (CSR) reports has steadily increased in many “developed” and “developing” countries. CSR reporting can take different forms, but it most commonly involves either the production of information within a company's annual report (including both voluntary and mandatory



information) or the production of standalone documents that are most usually, but not always, voluntary. Both types of reporting have been studied and analyzed at academic and practitioner levels, with several theories as to what motivates this type of reporting practice. While a widespread normative justification within the academic literature suggests that CSR reporting improves accountability (Gray *et al.*, 1996), it has also been argued that this might not be the case.

Many companies voluntarily provide CSR reports to their stakeholders to simplify access to companies' activities on environmental and social issues (Clarkson *et al.*, 2011). These voluntary standalone CSR reports are known by many different names, including "sustainability reports," "environmental reports," or "citizenship reports," and represent separate compilations of information about companies' social and environmental actions (Dilling, 2009). Regardless of what they are titled, these reports all meet three criteria: a focus on social and environmental issues, distinction from the firm's annual report, and content that is not prescribed by mandatory reporting requirements.

Despite the costs obviously associated with their production, the issuing of voluntary standalone CSR reports is increasing globally including in Canada. For instance, CorporateRegister.com (2012) reports growth in the issuance of voluntary standalone CSR reports in Canada from what it was in 1988 and 1989, when only Dow Chemical Canada Inc. issued standalone CSR reports, to 2011, when over 230 companies and organizations issued standalone reports.

Prior research suggests that a firm's national institutional context, which includes legal, regulatory, and professional structures, influences the firm's propensity to issue CSR standalone reports (Holloway *et al.*, 1999). According to Matten and Moon (2008), North American-style CSR has been embedded in a system that leaves more incentive and opportunity for corporations to take comparatively explicit responsibility[1]. Matten and Moon suggests that North America is characterized by "explicit CSR" which refers to corporate policies that assume and articulate responsibility for some societal interests. Explicit CSR practices would normally consist of voluntary programs and strategies by corporations that combine social and business value and address issues perceived as being part of the social responsibility of the company.

Furthermore, the Canadian institutional framework also is fundamental to the determination of the nature of CSR in Canada (cf Matten and Moon, 2008). Institutions, understood not only as the formal organization of government and corporations but also as "collections of rules and routines that define actions in terms of relations between roles and situations" (March and Olsen, 1989), encouraging individualism and providing discretion to private economic actors in liberal markets would be considered national systems in which one would expect to find strong elements of explicit CSR. More specifically, Canada is known as being a "progressive, diverse, and multicultural" country (Mooney Cotter, 2011) where central and local government policies (which include publicly funded health care, progressive taxation, the outlawing of capital punishment, the fight against poverty, respect of cultural diversity) reflect significant Canadian cultural values that strongly influence the propensity of Canadian firms to CSR.

The Canadian economy is dominated by the service industry, which employs about three-quarters of Canadians (OECD, 2012), and at the same time, Canada is unusual among developed countries in the importance of its primary sector, since the extractive industries (mining, oil, and gas) make a major contribution to Canadian prosperity. Consequently, Canada is a resource-based economy where the social and environmental impacts of activities carried out by Canadian companies (and satellite activities) play a

fundamental role in the Canadian society. Accordingly, CSR, which encompasses a firm's considerations of its responsibility to a wide range of stakeholders, including its ethical responsibilities to society, legal responsibilities to the government (i.e. compliance with laws and regulations), and discretionary responsibilities to the community (Carroll, 1979; Griffin and Mahon, 1997), is crucial in the Canadian institutional framework.

Freeman and Hasnaoui (2011) provide support for the importance of CSR in the Canadian context. Freeman and Hasnaoui see the relationship between an organization and its stakeholders as significant due to the inclusion of investment in the community outreach, employee relations, creation and maintenance of employment, environmental stewardship, and financial performance within their understanding of CSR. In Canada a number of organizations work on CSR issues. These organizations include both private ones (e.g. Stratos, Computershare, and Tree Canada Foundation) and those associated with government bodies at all levels (e.g. The Conference Board of Canada; City of Vancouver Board of Trade; the Government of Canada Industry Canada and the Centre for Excellence on CSR concerning the mining industry in Canada).

Moving from Canada to the international stage, in the social sciences literature and especially in the accounting literature, it is not clear why companies issue standalone CSR reports. Previous research has generally adopted one of several different theoretical perspectives in the investigation of this issue, including voluntary disclosure theory, legitimacy theory, stakeholder theory, institutional theory, signaling theory (Deegan, 2002), and assurance theory (Pflugrath *et al.*, 2011).

Inspired by these considerations, the objective of the present study is to provide an understanding of Canadian companies' motivations for issuing standalone CSR reports and the reports' perceived costs and benefits, as well as to understand the extent to which companies purport to follow published Global Reporting Initiative (GRI) guidelines. We report the results of a questionnaire survey that asked Canadian companies why they do or do not issue standalone CSR reports, what their motivations and costs are, and the extent to which they comply with GRI guidelines. We also present descriptive data for these companies, including financial information and CSR scores, in order to develop a profile of which companies issue standalone CSR reports and which do not. By considering whether Canadian companies' motivations for issuing CSR reports may be better encapsulated by a particular theoretical research perspective, we hope to contribute to more generalizable understanding of why firms issues standalone CSR reports.

While we find that larger companies issue standalone CSR reports, we fail to find any difference between firms that issue or do not issue CSR reports in the profitability or in the CSR measures. More importantly, responses to our survey questionnaire suggest that, consistent with a stakeholder perspective, Canadian firms issue standalone CSR reports, as part of their public relations agenda, in response to pressure to communicate with their stakeholders regarding CSR policies and practices. These standalone CSR reports may be an attempt to ensure or convince stakeholders that the firm is acting in the right way and is a CSR leader, regardless of whether actual performance follows.

Our research will facilitate the interpretation of these reports, which ability will be useful in evaluating whether additional mandatory disclosures and certification of standalone CSR reports are necessary. Therefore, in the following sections we first examine the extant literature exploring the different theoretical justifications for issuing standalone CSR reports; and then formulate our exploratory research question, undertake empirical research on a sample of Canadian corporations by examining

the answers given to a questionnaire about the nature of their CSR disclosures and the motivations behind such disclosures. We then formulate conclusions on these motivations by drawing upon the theoretical approaches to voluntary disclosure. Our research contributes to the ongoing debate about the role of additional mandatory CSR disclosures and certifications by integrating firms' perspectives with a variety of theoretical frameworks, which are generally applied to enhance our understanding.

2. Theoretical framework

This section presents an overview of the current literature on CSR reporting, demonstrating the range of theoretical perspectives, methodological approaches, countries investigated, and findings that explain why companies voluntarily issue standalone CSR reports and what companies tend to engage in the issuance of standalone CSR reports[2].

Perhaps unsurprisingly, the results of empirical research examining why companies issue standalone CSR reports are mixed. Previous research has generally adopted one of several different theoretical perspectives in the investigation of this issue, including stakeholder theory, voluntary disclosure theory, signaling theory (Deegan, 2002), legitimacy theory, institutional theory, socio-economic theory, and assurance theory (Pflugrath *et al.*, 2011). Motivations for issuing standalone CSR reports have been inferred from the respective theoretical position adopted by the research.

Supporters of the stakeholder theory suggest that as well as being accountable to investors, companies should also balance a multiplicity of stakeholder interests that can affect or be affected by the firm's actions (Freeman, 1984). In this perspective, managers continually encounter demands from multiple stakeholder groups to devote resources to CSR (Matten *et al.*, 2003; McWilliams and Siegel, 2000). In order to show society that certain demands and expectations are correctly addressed and met, companies account for these sustainability issues voluntarily either in their annual reports or in standalone CSR reports. Voluntary CSR disclosure is thus part of the dialogue between a firm and its stakeholders (Adams, 2002; Ballou *et al.*, 2006; Gray *et al.*, 1995). According to the managerial perspective of stakeholder theory, the expectations of the stakeholders that have stronger strategic roles for the corporation are more likely to be satisfied and influence corporate disclosure policies and practices (Gray *et al.*, 1996). Among these categories is some evidence in the literature that financial stakeholders and government regulators can be most effective in demanding CSR disclosure (Neu *et al.*, 1998).

Studies adopting a voluntary disclosure and/or a signaling perspective suggest that companies issue standalone CSR reports to signal their values with regards to various social and environmental issues and to ensure that stakeholders are aware of the appropriateness of the companies' handling of these issues (e.g. Clarkson *et al.*, 2011). Following this approach, corporations with good images that avoid negative social and environmental outcomes are encouraged to disclose their performance in order to avoid problems of "adverse selection" (Clarkson *et al.*, 2011, p. 32). However, research based on signaling theory has historically focussed its investigation on the disclosure of financial issues more than non-financial issues. In the application of this theoretical perspective to the CSR context, the argument has been made that corporations with higher levels of sustainability performance communicate their outcomes and impacts more often than those with lower levels who tend to hide or to partially disclose their results (Li *et al.*, 1997; Bewley and Li, 2000; Clarkson *et al.*, 2008). In other words, for supporters of the voluntary disclosure theory, it is possible to positively associate

sustainability performance and the corporation's predisposition to disclose social and environmental results (Clarkson *et al.*, 2011).

According to stakeholder and legitimacy perspectives, firms publish standalone CSR reports to reduce their external costs or diminish pressures being imposed by external stakeholders or regulators (Tate *et al.*, 2010; Caron and Turcotte, 2009; Ballou *et al.*, 2006; Adams, 2002). Scholars who adopt a legitimacy perspective suggest that companies use standalone CSR reports to influence (or even to manipulate) stakeholder perceptions (Patten and Guidry, 2010; Coupland, 2007; Deegan, 2002). As mentioned earlier, voluntary information such as CSR, is disclosed for strategic reasons rather than on the basis of any perceived responsibilities. Gray *et al.* (1995) claim that such corporations have incentives to improve their social and environmental disclosures, although this does not always positively correlate with their sustainability performance. In this sense, the authors argue that legitimacy theory and stakeholder theory enrich, rather than compete for, the understandings of CSR disclosure practices. Thus, Gray *et al.* see CSR practice as a complex activity that cannot fully be explained by a single theoretical perspective or from a single level of resolution.

Socio-economic theorists argue that financial issues must be analyzed within a social and political context to incorporate the institutional frameworks in which the corporations operate (Deegan, 2002). More specifically, since the social legitimacy of a corporation is guaranteed by public and governmental policies, this perspective suggests that problems of legitimacy for corporations can emerge (Patten, 1992). In particular, when there is a disparity between corporate values and societal values, the firm can lose its legitimacy and consensus within society. Voluntary disclosure can contribute to enhancing a corporation's legitimacy, elevating its image and perception among various members of society and external stakeholders, especially when using external accountability systems. For this reason, even so-called green-washing policies, together with other less opportunistic approaches, belong to the socio-economic theory perspective (Clarkson *et al.*, 2011). In this sense, manipulating corporate image is seen as surely easier than modifying the company's own levels of sustainability performance, its supply chain structure, or its value system (Dowling and Pfeffer, 1975).

Finally, studies that adopt the assurance prospective (Pflugrath *et al.*, 2011) suggest that these reports are more reliable and accurate when assured by an accounting professional. According to Pflugrath *et al.* (2011), assurance of CSR information and the type of assurer can impact financial analysts' perceptions of corporate credibility and sustainability. When CSR information is assured by a professional accountant, financial analysts – and correlated investors – perceive the source of that information to be more reliable in terms of its trustworthiness, expertise, and credibility because of the assurance professional's independence and expertise in the field of auditing. This could be linked with the accounting profession's reputation and to the set of international standards and ethics established by representative bodies such as the International Auditing and Assurance Standard Board (IAASB). At the same time, the higher level of credibility associated with assured CSR reports for investors is deeply context specific, both with reference to the industrial sector and to the different countries in which it operates. Assurance seems to increase the credibility of CSR reports for industrial companies in certain sectors (e.g. mining) where there are political, social, or financial incentives to misreport such information (Pflugrath *et al.*, 2011).

It also appears that country-level factors are significant drivers of CSR assurance. For example, Perego and Kolk (2012) claim that the promulgation of more stringent legislation on social and environmental reporting (e.g. in France and in Japan)

increased regulatory pressure and acted as powerful coercive mechanisms, thereby lending support to the adoption of international reporting and assurance standards (e.g. Delmas, 2002; Delmas and Montes-Sancho, 2011; Gilbert *et al.*, 2011; Heras-Saizarbitoria and Boiral, 2013). CSR reporting and assurance, in fact, can be described as a process of normative isomorphism (DiMaggio and Powell, 1983; Boiral and Gendron, 2011), since it is largely characterized by adapting professional practices in both financial and non-financial forms of auditing. These pressures are particularly evident in the early stages of diffusion, in which the institutionalization process is stimulated by professional auditing entities (Simnett *et al.*, 2009; Kolk and Perego, 2010; Manetti and Becatti, 2009; Manetti and Toccafondi, 2012).

While institutional forces appear to condition corporations' initiatives in CSR reporting and assurance, the literature shows considerable variability in adoption and adherence to standards. Perego and Kolk (2012), for example, indicate a potential role for organizational factors in explaining why firms, especially multinational corporations, adopt heterogeneous management practices when facing isomorphic pressures. In other words, it seems that, based on the biased view of the firm, the adoption of advanced CSR management practices (CSR reporting and assurance practices) is related to the availability of sufficient organizational resources and capabilities (Delmas and Toffel, 2011). Thus, corporations with superior environmental resources and capabilities seem more likely to demand higher levels of accountability standards and assurance quality, while the lack of firm capabilities can be an obstacle to the diffusion of CSR reporting and assurance.

In any case, the literature indicates that the country in which the organization is reporting and the country of ultimate ownership have a significant effect on CSR reporting and assurance practices (see e.g. Andrew *et al.*, 1989; Clarkson *et al.*, 2011; Guthrie and Parker, 1990; Roberts, 1990; Teoh and Thong, 1984). Furthermore, the subject of disclosure is both time specific and country specific (see e.g. Gray *et al.*, 1987; Guthrie and Parker, 1989, 1990). Furthermore, the literature suggests that there could be a number of characteristics related to a company's predisposition to make social disclosures. These include capital intensity and availability (Belkaoui and Karpik, 1989); the age of the corporation (Roberts, 1992); planned strategies; the attitudes of senior executives; and the presence of a CSR committee (Cowen *et al.*, 1987; Roberts, 1992; Trotman and Bradley, 1981).

In light of the above, the present study provides insight into Canadian companies' motivations to issue or not issue voluntary standalone CSR reports. We report the main reasons companies publish standalone CSR reports in the Canadian context and whether the corporate dimension and profitability significantly affect firms' behavior in this area. We also analyze the role of social and environmental reporting and assurance standards in the process of issuing standalone CSR reports. Furthermore, we consider whether the propensity toward social and environmental practices in Canadian companies is affected by the propensity of issuing standalone CSR reports in the same organizations. Finally, we further our understanding of which theoretical perspectives are more appropriate for describing the motivations of Canadian corporations in issuing standalone CSR reports.

3. Research design

The research for this study was carried out using the inductive method: to study our exploratory research question, we created a questionnaire that we submitted to a reasonable sample of Canadian corporations.

More precisely, we developed an eight-page questionnaire survey designed to examine the motivation, perceived costs and benefits, and guidelines followed in issuing standalone CSR reports, along with the reasons why companies do not issue CSR reports. The following steps were followed in developing the questionnaire:

- (1) We reviewed the existing literature on standalone CSR reports listed in the ABI Inform Index during the last 20 years. This review used the key words of “CSR reports,” “environmental reports,” and “sustainability reports” to identify our current understanding of the spectrum of companies’ motivations, perceived costs and benefits, and guidelines used in issuing standalone CSR reports, and for not issuing standalone CSR reports.
- (2) We sent the preliminary comprehensive listing of motivations to six expert researchers in the social and environmental arena to check for clarity and completeness, and to identify a particular theoretical perspective for the stated motivation.
- (3) We developed a preliminary questionnaire survey, which was then revised based on input from experts in the design of questionnaire survey methodology as well as the ethics research review board of the lead authors’ universities.
- (4) We mailed the final version of our questionnaire survey to our survey participants. Appendix contains a copy of our final questionnaire survey with the accompanying covering letter.

Our preliminary sample consisted of 221 Canadian companies that had reported CSR scores in the 2008 Canadian Social Investment Database (CSID)[3]. We phoned each company in our initial sample to request participation in the survey, to obtain the mailing address, and the name and e-mail address of a company contact person. Twenty-two companies declined by phone to participate in the survey, resulting in a total of 199 companies to which we mailed surveys. Copies of the survey were accompanied by a cover letter from the research team. Over an eight-week period, the survey was mailed out twice along with three post-card reminders. A total of 57 surveys were returned for a response rate of 29 percent. Of the 57 companies that returned the survey, 32 (56 percent) stated that they currently issue standalone CSR reports and 25 (44 percent) stated that they do not currently issue standalone CSR reports.

Test for bias in survey responses

We tested for non-response bias in our sample by examining the difference in responses between responding and non-responding companies. *t*-Tests indicate that there are no significant differences in demographic characteristics or CSR scores of the early and late respondents. In consistency with prior research, CSR scores are measured by using the ratings in the CSID index developed and maintained by Michael Jantzi Research Associates Inc. (MJRA) (e.g. Mahoney and Roberts, 2007).

Description of sample

Table I presents the demographic characteristics for the sample of respondents, which includes a detailed comparison of demographic characteristics between companies that currently issue and those that do not issue CSR reports.

A total of 57 companies responded to the survey, with 32 companies stating that they currently issue standalone CSR reports while 25 companies stated they do not.

Number of firms	Firms that issue CSR reports: 32	Firms that do not issue CSR reports: 25	Total firms that respond: 57
Average sales ^a	\$9,481.36	\$2,876.5	\$6,532.76
Average assets ^a	\$86,667.57	\$6,757.41	\$52,654.11
Average profits ^a	\$1,100.81	\$197.42	\$697.51
Average ROA	3.61	2.22	2.99
Average ROI	5.70	3.34	4.64
Total CSR	0.26	0.27	0.26

Note: ^aSignificant difference at 0.05 level between firms that issue and do not issue CSR reports

Table I.
Descriptive statistics

Table I presents the summary financial and CSR information for all 57 companies with the results split according to those that issue standalone CSR reports and those that do not. As shown in Table I, companies that issue standalone CSR reports, are significantly larger at a 0.05 level in both sales volume (\$9,481) and assets (\$86,668) and have higher profits (\$1,101) than companies who do not issue these reports (\$2,877, \$6,757 and \$197, respectively). The differences between average Return on Assets (ROA), 3.61 vs 2.22, Return on Investments (ROI), 5.70 vs 3.34, and Total CSR scores (2.6 vs 2.7) are not significant between companies that issue standalone CSR reports and those who do not.

Our results suggest that the size of the company does have an impact on the decision to issue standalone CSR reports, as larger companies issue significantly more reports. Larger companies may have more resources to devote to the reports, and also be subject to additional political pressure and scrutiny (Watts and Zimmerman, 1986). Additionally, since total CSR scores are not different between the two groups, it appears that actual CSR performance is not a factor in the decision to issue standalone CSR reports.

According to Table II, respondents represent a cross-section of business sectors, with the largest responses coming from the energy sector (26 percent), materials sector (25 percent), financial sector (18 percent), and the consumer discretionary section (16 percent). Interestingly, for the energy sector, about an equal number of the responding companies issued standalone CSR reports as did not issue them. Also of interest is that in the materials sector, significantly more companies issued standalone

Business sector	Firms that issues CSR reports	Firms that do not issue CSR reports	Total firms	% of total firms
Consumer discretionary	2	7	9	15.8
Consumer staple	1	1	2	3.5
Energy	8	7	15	26.3
Financial	6	4	10	17.5
Health care	0	1	1	1.8
Industrial	0	1	1	1.8
Materials	11	3	14	24.6
Telecommunications	2	0	2	3.5
Utilities	2	1	3	5.3
Total	32	25	57	100.0

Table II.
Description of
respondents by
industrial sector

CSR reports than those that did not issue standalone CSR reports. These results indicate that business sectors involved in consumer goods do not issue as many standalone CSR reports as business sectors involved in manufacturing and energy, perhaps indicating that manufacturing and energy sectors have greater exposure regarding environmental concerns.

4. Findings

We report on the results of our survey separately for those companies that issued standalone CSR reports and for those companies that did not issue standalone CSR reports. Each is reported in turn.

Part A. Findings from companies that issued standalone CSR reports

Of the companies that issued standalone CSR reports, 56 percent stated that they had a separate CSR department. The name given to this separate CSR department varied from company to company, but the most popular names in our sample were “CSR” (35 percent), followed by “corporate citizenship” (12 percent). Some department names focussed on health and safety themes (“healthy, safety and sustainability,” “health, safety, environment and social responsibility,” “aboriginal relations, health and safety, and environment”), and stakeholder relations themes (“EHS, community relations,” “external relations/corporate responsibility”). Other companies had such names as “corporate affairs,” “sustainability,” “corporate responsibility and environment” and “development durable”. For companies that do not have separate CSR departments, the reports are prepared by a variety of departments, with the most common called “environment” (17 percent), “investor relations” (17 percent), and “communications” (17 percent). Additional names were variations on “public affairs/relations” (34 percent), “corporate relations and social responsibility,” and “joint HR and corporate communications”.

There was also significant variety in the title used for standalone CSR reports among reporting companies. In our sample of Canadian companies, the most common names for these standalone CSR reports were “CSR Report” at 21 percent and “Sustainability Report” at 17 percent. Most other companies used variations of those names, including “Corporate Sustainability Report,” “Sustainability Development Report,” “The Green Report,” “Social Responsibility Report,” and “CSR Report.” Other names included “Health, Safety or Sustainability Report,” “Rapport Development Durability” and “A Partner in the Community: Corporate Citizenship.” These results demonstrate that the CSR field is still apparently in its infancy for Canada, as there is no common title for departments involved with CSR activities or no common title for standalone CSR reports.

To explore companies’ motivations for issuing standalone CSR reports, we asked two questions. The first specifically asked companies to choose the reasons for the importance of issuing their standalone CSR reports from a list derived from the literature. The second question asked companies how important each of the listed factors in an effort to capture the companies’ overall strategy for issuing standalone CSR reports.

Table III reports the results of the companies’ responses to questions on why they issue standalone CSR reports. Using a scale of “very important,” “somewhat important,” “not very important” and “not at all important,” the top reason given that companies issue standalone CSR reports was to “signal to stakeholders that the company is interested in social responsibility”[4]. All respondents stated that it was either “very important” or “somewhat important.” In addition, over 96 percent of respondents stated

Question: what are your company's reasons for issuing standalone CSR reports?	Very important (%)	Somewhat important (%)	Not very important (%)	Not at all important (%)
Signal to stakeholders that the company is interested in social responsibility	77.4	22.6		
CEO/Board Commitment	74.2	22.6	3.2	
To communicate to stakeholders that the company has a policy of corporate transparency	71.0	25.8	3.2	
Ease of access of having all social responsibility information in one place	71.0	22.6	6.5	
Enhance reputation by providing truthful and robust information on tough issues	64.5	35.5		
Enhance reputation by impressing upon stakeholders that we are good corporate citizens	61.3	38.7		
Stay ahead of potential future regulatory requirements	19.4	51.6	19.4	9.7
Comply with international regulations imposed at Corporate Head Office	17.9	28.6	17.9	35.7
Keeping up with competitors	12.9	54.8	16.1	16.1
To mitigate the effects associated with a company social responsibility disaster	3.3	40.0	30.0	26.7
Pressure from stakeholder groups	3.2	45.2	32.3	19.4

Notes: Other: (a) communicate to stakeholders about our economic, social and environmental performance; (b) regulatory requirements; (c) alignment w/ own corporate values; (d) report on performance and progress; (e) regulatory improvement

Table III.
Firms that issued standalone CSR reports: reasons

that “CEO/Board Commitment” and “to communicate to stakeholders that the company has a policy of corporate transparency” were either “very important” or “somewhat important” and over 93 percent stated that “ease of access of having all social responsibility information in one place” were either “very important” or “somewhat important”. Interestingly enough, “to mitigate the effects associated with a company social responsibility disaster” and “pressure from stakeholder groups” were stated as the least popular reasons to issue CSR reports, with 57 percent and 52 percent of the respondents, respectively, saying it was “not very important” or “not at all important” in their decisions.

Table IV shows the results of the respondents’ summary statements on their companies’ overall strategy for using standalone CSR reports. It used a scale of “strongly disagree,” “somewhat disagree,” “neither agree nor disagree,” “somewhat agree” and “strongly agree.” Three statements had between 97 percent and 89 percent of overall agreement. First, with the statement: “We issue CSR reports as an overall corporate strategy of full transparency to ensure our stakeholders have a comprehensive picture of our social and environmental activities,” a total of 97 percent of respondents agreed with this statement. Second, for the statement: “We use the CSR report to provide a complete, truthful, and robust picture of our position on tough social and environmental issues,” 94 percent of respondents agreed. Third, with the statement, “We use CSR reports to ensure that our stakeholders know that we are the leaders in social and environmental activities, actions, and policies,” a total of 90 percent agreed. According to our expert

Table IV.
Firms that issue
standalone CSR
reports: overall strategy

Question: how are important are each of the following factors for your company?	Strongly disagree (%)	Somewhat disagree (%)	Neither agree nor disagree (%)	Somewhat agree (%)	Strongly agree (%)
We issue CSR reports as an overall corporate strategy of full transparency to ensure our stakeholders have a comprehensive picture of our social and environmental activities		3.2		16.1	80.6
We use the CSR report to provide a complete, truthful, and robust picture of our position on tough social and environmental issue		3.2	3.2	38.7	54.8
We use CSR reports to ensure that our stakeholders know that we are the leaders in social and environmental activities, actions and policies		3.2	6.5	41.9	48.4
We think CSR reports are particularly important when we experience negative press because we think it is important that stakeholders believe we are good corporate citizens	3.3	3.3	36.7	33.3	23.3

panel, Statement 1 was consistent with both signaling and stakeholder theory perspectives, Statement 2 was consistent with signaling theory, and Statement 3 was consistent with legitimacy theory.

Also as Table IV shows, one statement did not elicit a strong agreement; in fact, there was a fairly wide range in dispersion of the responses among companies: “We think CSR reports are particularly important when we experience negative press because we think it is important that stakeholders believe we are good corporate citizens.” Approximately 37 percent of the respondents “neither agree nor disagree” with this statement, while only 56 percent agree with it. This last statement was, according to our expert panel, consistent with legitimacy theory.

The finding that both signaling and legitimacy theory provide motivation for issuing standalone CSR reports supports the findings of Bebbington *et al.* (2008) and Gray *et al.* (1995) that multiple theoretical views are likely needed to understand why companies issue standalone CSR reports. These different theoretical perspectives provide different and sometimes complementing insights for the understanding of CSR reporting.

Understanding the benefits that a firm perceives in issuing these reports may help non-reporting companies in their decisions to issue or not issue these reports in the future. Table V shows responses to the question “How important are the following benefits to your company in issuing these reports?” this item was rated on a four points scale ranging from “very important” to “not at all important”. Respondents to the survey indicated, “to communicate our firm’s total social and environmental commitment to stakeholders” was the most important perceived benefit from issuing the CSR report. Approximately 90 percent of the respondents stated that is was “very important” in their decisions. Also considered in the decision was to “communicate our firm’s positive social and environmental activities to stakeholder” and “to enhance the reputation of the firm,” which was chosen by 87 percent and 71 percent of the

Question: how important are each of the following possible benefits to your company of issuing standalone CSR reports?	Very important (%)	Somewhat important (%)	Not very important (%)	Not at all important (%)
To communicate our firm's total social and environmental commitment to stakeholders	90.3	6.5	3.2	
To communicate our firm's positive social and environmental activities to stakeholders	87.1	12.9		
To enhance the reputation of our firm	71.0	25.8	3.2	
To counter negative publicity about our firm	3.3	63.3	26.7	6.7

Notes: Other: (a) colleague engagement; (b) employee loyalty and pride; (c) to communicate performance (good or bad) and progress

Table V.
Firms that issue standalone CSR reports: benefits

respondents as “very important” in their decisions. Interestingly, only 3 percent of the respondents reported that it was “very important” to issue the reports “to counter negative publicity about our firm.” In fact, 33 percent of the respondents stated that it was “not very important” or “not at all important” in their decisions. Other benefits that respondents wrote in were “colleague engagement, employee loyalty and pride” and “to communicate performance (good or bad) and progress.” These findings are consistent with the stakeholder perspective that firms are accountability to a multiplicity of stakeholder interest and devote resources to CSR to manage the demands of these stakeholders. The issuance of corporate disclosure policies and practices through standalone CSR reports may well be a result of perceived stakeholder demands.

The companies were also asked to indicate negative repercussions, if any that have arisen from issuing the standalone CSR reports. Table VI shows that, overwhelmingly, most companies did not report any negative repercussions from issuing these reports. Only 10 percent of the companies noted that they felt there have been negative repercussions in the past. None of the companies felt that its reputation was damaged or that there was negative backlash from the information disclosed. These results suggest that there is minimal, if any, negative repercussion from issuing standalone CSR reports.

The results of our survey indicate that most companies issue standalone CSR reports on a yearly basis. A total of 77 percent of the companies reported that they issued these reports every year, while 19 percent issue them every other year. Only 3 percent of these companies issue these reports at other intervals. We also asked our respondents to indicate which factors were critical in their decisions to issue these reports on the intervals reported, and to what degree these factors mattered. Table VII shows the results of these responses using a four-point scale ranging from “very important” to “not at all important.” The top reason given was “time and effort,” as 36 and 46 percent of the companies noted that it was “very important” or “somewhat important” in their decisions. Not one company ranked “cost” as “very important,”

Question: have any of the following negative repercussions arisen from your company issuing standalone CSR reports?	Yes (%)	No (%)
Negative backlash from information disclosed	0	100
Reputation deteriorated	0	100
Communicate negative social and environmental activities to stakeholders	9.7	90.3

Table VI.
Firms that issue standalone CSR reports: negative repercussions

Question: how important were each of the following factors in your company's decision to issue CSR reports with that frequency?	Very important (%)	Somewhat important (%)	Not very important (%)	Not at all important (%)
Time and effort	35.7	46.4	3.6	14.3
Nothing new to report	7.7	15.4	23.1	53.8
Stakeholder pressure	3.8	38.5	19.2	38.5
Not enough benefit	4.2	8.3	29.2	58.3
Cost	0.0	37.0	37.0	25.9

Table VII.
Firms that issue standalone CSR reports: frequency

Notes: Other: (a) regulation; (b) PAS regulations/compliance; (c) industry standard and because it is provided in conjunction with our AR; (d) timelines of results; (e) annual performance; (f) regulatory requirement; (g) timed to our annual report; (h) regular reporting-consistent with annual reporting period

while 26 percent responded that “cost” was actually “not at all important.” “Not enough benefit, nothing new to report” and “stakeholder pressure” were reported as either “not very important” or “not at all important” by 88, 77, and 58 percent, respectively. Other reasons written in by respondents included “regulation and compliance,” “consistent and regular report similar to the annual report,” and “timeliness of information.”

Our findings support recent empirical evidence (Giannarakis *et al.*, 2011; KPMG, 2011) of a growing trend toward standardization of CSR reports. While the majority, 71 percent of respondents, reported that they followed GRI[5] guidelines in preparing their reports, 26 percent reported that they did not. When asked if their CSR reports were independently verified, 26 percent stated that they were, while 68 percent stated that they were not. Of the companies that stated the names of the firms that verified their standalone CSR reports, 57 percent used Big 4 accounting firms, while the other companies utilized the services of consulting companies.

The cost of producing the standalone CSR report varies greatly among the firms responding to our survey. Half of the firms incur costs >\$75,000 to produce the standalone CSR report, while 10 percent stated that the costs of the report are between \$51,000 and \$75,000. Another 13 percent of the respondents said that the costs are between \$32,000 and \$50,000, 23 percent stated that the costs are between \$10,000 and \$30,000 and 3 percent stated that the costs are <\$10,000.

The amount of time and employee resources required to complete the CSR reports also varied greatly from company to company. A majority, 61 percent of the respondents, said they took more than four months to prepare the report, while 29 percent said that they needed more than three months. No respondent was able to prepare the report in under two months. As for the resources employed, 71 percent of the companies reported that five or more people contributed to the preparation of the report, while 16 percent reported that more than 20 people were involved. Only 19 percent of the respondents stated that one to two people were involved in the report preparation. Thus the preparations of these reports can involve significant resources, including people, time, and costs, though the costs of the resources does not appear to be a major factor in the decision to issue them.

Part B. Companies that did not issue CSR reports

Companies that did not issue standalone CSR reports were asked to report on why they did not issue them. Table VIII shows the results of their responses. The most popular reason given by respondents, 44 percent, was that there is “no stakeholder pressure”

Question: why did your firm choose not to issue standalone CSR reports?	% responded
No stakeholder pressure	44.0
No regulatory requirement	40.0
No perceived benefit	24.0
CSR is not a high enough priority	20.0
Too much time and effort	20.0
CEO/Board is not interested	12.0
Too costly	8.0

Notes: Other reasons: (a) currently working on one for release 2011/2012 time frame; (b) plan to 2011/2012; (c) we want to provide additional information about our corporation, its strengths and commitment to our communities; (d) this will be our first year (2011); (e) info captured in Corporate Annual Report; (f) information partly covered by existing communication; (g) management generally considers CSR reports to be too fluffy and lacking in substance; (h) believe it should be integrated with annual report on financials and corporate performance; (i) we produce a public accountability statement per regulations; (j) CSR surveys ask the questions that are typically contained in a CSR report; (k) our business is not a high energy on environmental impact business; (l) we are early in est. CSR; (m) our company issues CSR reports from its operating companies, but not the parent

Table VIII.
Firms that do not issue
standalone CSR
reports: motivation

to issue the reports. This was closely followed by “no regulatory requirement” to do so, at 40 percent. Interestingly, 24 percent of the respondents stated that there was “no perceived benefit,” and 20 percent stated both that “CSR is not a high enough priority” and “too much time and effort” was involved. Only 12 percent of the respondents noted that the “CEO/Board is not interested” and 8 percent of the respondents cited that “it was too costly” to issue these reports. Others stated that they did not feel the need to issue standalone CSR reports because they provide the CSR information in their annual reports, public accountability statements per regulations, or in other releases.

Of the companies that do not currently issue standalone CSR reports, only two reported that they had issued them in the past. “Too much time and effort” and “other priorities” were both rated as “very important” reasons to stop issuing the reports. “Costs” and “not enough benefit” were reported as “somewhat important.” “Being transparent” and “nothing good to report” were considered “not at all important.”

Table IX shows the results of responses (using a five-point scale from “very likely” to “not at all likely”) to the question of how likely it is that their companies will issue standalone CSR reports in the future. Of the companies, 62 percent stated that they are “very likely” or “somewhat likely” to issue them in the future, while only 19 percent indicated that it is “not very likely” or “not at all likely” that they would issue them in the future. This response is consistent with the growing trend of corporations issuing CSR standalone reports. Also of note, and consistent with reported trends in the issuing of voluntary CSR reports, three companies used the write-in comment section of the questionnaire to state that they plan on issuing a separate CSR report in 2011.

Question: how likely is it that your company will issue standalone CSR reports in the future?	%
Very likely	15.4
Somewhat likely	46.2
Not very likely	15.4
Not at all likely	3.8
Not sure	19.2

Table IX.
Firms that do not issue
standalone CSR reports:
future tendency

All three of these companies responded that they were “very likely” to issue standalone CSR reports in the future. Thus, of the companies that have no present plans to issue standalone CSR reports, 57 percent responded that they are “very likely” or “somewhat likely” to do so in the future.

Table X presents the factors that are important for determining whether a company will issue standalone CSR reports in the future. These factors were rated on a four-point scale ranging from “very important” to “not at all important.” The primary reason given was “regulation”, as 80 percent of the responding companies said that is “very important”. This was closely followed by and “CEO/Board commitment” (52 percent) and “stakeholder pressure” (42 percent). The factors that appeared to have the lowest impact on the decision were “costs no longer prohibitive” and “keeping up with competitors,” with 63 and 38 percent of the respondents stating respectively that it was “not very important” or “not important” at all in their decisions.

The last two tables separate responses from companies that will not issue standalone CSR reports in the future (Table XI), from responses from companies that plan to issue standalone reports next year (Table XII). Table XI shows the increased importance of regulation rising to 86 percent, with the other factors remaining essentially unchanged. Table XII shows that “CEO/Board commitment, stakeholder pressure” and “enhance reputation” as very important, with the importance of

Question: how important are each of the following factors in your company's decision to issue standalone CSR reports in the future?	Very important (%)	Somewhat important (%)	Not very important (%)	Not at all important (%)
Regulation	80.0	16.0	0.0	4.0
CEO/Board commitment	52.0	44.0	4.0	
Stakeholder pressure	42.3	53.8	3.8	
Enhance reputation by impressing upon stakeholders that we are good corporate citizens	15.4	65.4	15.4	3.8
Keeping up with competitors	11.5	50.0	26.9	11.5
Cost no longer prohibitive	4.2	33.3	33.3	29.2

Table X.
Firms that do not issue standalone CSR reports: factors for future issuance

Notes: Other: (a) we are pleased with the information provided in our public accountability statement and will continue to produce this document; (b) moral obligation

Question: how important are each of the following factors in your company's decision to issue standalone CSR reports in the future?	Very important (%)	Somewhat important (%)	Not very important (%)	Not at all important (%)
Regulation	86.4	13.6	0.0	0.0
CEO/Board commitment	50.0	45.5	4.5	0.0
Stakeholder pressure	39.1	60.9	0.0	0.0
Enhance reputation by impressing upon stakeholders that we are good corporate citizens	8.7	69.6	17.4	4.3
Keeping up with competitors	8.7	52.2	30.4	8.7
Cost no longer prohibitive	4.8	38.1	33.3	23.8

Table XI.
Firms that do not plan on issuing standalone CSR reports in the next year: factors that will influence future decisions

Note: Other: (a) we are pleased with the information provided in our public accountability statement and will continue to produce this document

“regulation” significantly decreased as compared to Table XI. Together these findings suggest that “hold out” firms that are not planning on issuing standalone CSR reports (at least in the foreseeable future) may not do so until regulation forces them to do so, or until they are governed by a CEO/Board that requires it.

5. Conclusions

The primary purpose of our research was to provide insight into Canadian companies’ motivations to issue or not issue voluntary standalone CSR reports. After requesting 199 publicly traded Canadian companies that had CSR scores published by Michael Jantzi Research Institute, 57 responded, 32 of which issued standalone CSR reports and 25 did not. Our results suggest that companies that issue standalone CSR reports are bigger than those companies that do not. Furthermore, measures of ROA, ROI, and CSR scores of companies that issued and those that did not issue standalone CSR reports did not significantly differ, which facts suggest that there is no significant difference in the profitability and “level” of social and environmental practices between firms that issue and do not issue standalone CSR reports.

Our results show that larger firms issue standalone CSR reports, as evidenced by significant differences between traditional measures of firm size between firms that issue and do not issue standalone CSR reports. As larger firms have more political visibility and are subject to greater external scrutiny than smaller firms (Watts and Zimmerman, 1986), our findings indicate that firms primarily issue standalone CSR reports in response to external scrutiny by stakeholders, which is consistent with a stakeholder perspective. Thus, our research suggests that Canadian firms issue standalone CSR reports primarily to respond to stakeholder scrutiny of CSR policies and practices, regardless of actual CSR performance[6], which appears to be a part of firms’ public relations agenda to convince stakeholders that the firm is acting in a socially responsible way. Our survey also identifies that ancillary motivations for Canadian firms for issuing standalone CSR reports are consistent with legitimacy and signaling perspectives.

In terms of frequency of issuing standalone CSR reports, most of the companies that responded to our survey (77 percent) issue standalone CSR reports every year, while 19 percent issue them every other year. Approximately 71 percent of companies that issue standalone CSR reports follow GRI reporting guidelines and 26 percent are independently verified, with Big 4 accounting firms performing approximately 57 percent of these independent verifications. Over half of the respondents reported that the report costs over \$75,000 to produce, takes an average of over four months to prepare, and requires five or more people to produce.

Question: how important are each of the following factors in your company’s decision to issue standalone CSR reports in the future?	Very important (%)	Somewhat important (%)	Not very important (%)	Not at all important (%)
Regulation	33.3	33.3	0.0	33.3
CEO/Board commitment	66.7	33.3	0.0	0.0
Stakeholder pressure	66.7	0.0	33.3	0.0
Enhance reputation by impressing upon stakeholders that we are good corporate citizens	66.7	33.3	0.0	0.0
Keeping up with competitors	33.3	33.3	0.0	33.3
Cost no longer prohibitive	0.0	0.0	33.3	66.7

Table XII.
Firms that will issue standalone CSR reports next year

Also of interest are the responses by companies that do not currently issue standalone CSR reports. These respondents generally appeared not to issue the reports due to lack of external pressure or perceived benefit: there was no perceived stakeholder pressure (44 percent), “no regulatory requirement” to do so (40 percent) and “no perceived benefit” (24 percent). These companies also stated that they anticipate issuing standalone CSR reports if pressures (external or internal) changed with “regulation” (96 percent), “stakeholder pressure” (96 percent) and “CEO/Board commitment” (96 percent) perceived as being critical to enticing companies to issue standalone CSR reports in the future. Interestingly, three of the 25 companies that did not currently issue standalone CSR reports reported planning on issuing them in the year following the survey. These results indicate that, although potentially effective, regulation or CEO/Board pressure is not necessary for promoting the issuance of CSR reports for those remaining holdout firms. Nevertheless, these findings also suggest that in the future, these firms that do not currently issue standalone CSR reports will be willing to do if there is stakeholder interest.

Our sample consisted of Canadian firms, which is of particular interest due to the importance of CSR to Canadian firms and the voluntary nature of standalone CSR reporting in Canada. Nevertheless, we acknowledge that the generalizability of our findings is limited due to the sample being situated within a single national context. The inferences drawn from such a sample in Canada may not be applicable to other countries with different national institutional contexts. In addition, the small size of our sample may limit the generalizability of our findings. We also did not specifically consider the quality of the CSR reports in our study. Finally, our work may be affected by the inherent weaknesses associated with survey research, including the inherent bias of the individuals responding to our survey.

Although our research adds to the growing body of research on voluntary CSR disclosures, additional work that integrates qualitative and quantitative approaches may also provide additional insight. Furthermore, a logical extension to this research study is an examination of whether firms that use standalone CSR reports to signal their good CSR performance are in fact better social performers or are just better at reporting their CSR activities. While our study adds to the understanding of voluntary disclosure of CSR data, further work done examining other national contexts also is important for further development of our understanding of motivations for voluntary reporting of CSR information.

Notes

1. This is in contrast to European-style CSR that has been embedded in systems of wider organizational responsibility that have yielded comparatively narrow incentives and opportunities for corporations to take explicit responsibility. In this sense, European institutional frameworks would be characterized by having coordinated approaches to economic and social governance through a partnership of representative social and economic actors led by government.
2. An interesting exception is a recent study by Clarkson *et al.* (2011) which compares legitimacy and voluntary disclosure perspectives, and finds Australian firms with a higher tendency to pollute will disclose more and also use more hard verifiable disclosures, as compared to soft non-verifiable disclosures. Surprisingly, the findings of Clarkson *et al.* (2011) support a legitimacy perspective, and contradict the findings of Clarkson *et al.* (2008), which provided support for a signaling perspective.
3. This multidimensional database measures CSR for Canadian firms, was developed in 1992 by Michael Jantzi Research Associates, Inc. (MJRA) and specializes in the assessment of CSR

for Canadian corporations. Ratings for the CSID are determined by MJRA through extensive research, including public and private documents, interviews, surveys, analyses of litigations and legislative actions. The CSID database specializes in the assessment of CSR for Canadian corporations and contains the social profiles of over 200 publicly traded Canadian companies, including the companies on the Toronto Stock Exchange (TSE) 300 Index.

4. Various scales were pretested and the four-point Likert scale was used in determining the level of importance for various statements (very important, somewhat important, not very important, not at all important) to ensure respondents identified their position on the issue being investigated. This practice is consistent with prior research (e.g. Allen and Seaman, 2007) to encourage respondents to take a clear position on a statement.
5. The GRI is widely acknowledged as the leader in the development of sustainability reporting guidelines (Ballou *et al.*, 2006; Woods, 2003). The GRI frameworks contain principles and indicators that firms use to benchmark social and environmental performance with respect to laws, norms, codes, performance standards and voluntary initiatives (Global Reporting Initiative, 2013).
6. Our findings do not show a significant difference in profitability (ROI and ROA) or in CSR scores between firms that issue and do not issue standalone CSR reports. A signaling theory would suggest that there is a difference in CSR scores between firms that issue and do not issue standalone CSR reports.

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Appendix. Cover letter and survey questionnaire

March 2011

Contact Name

Organization

Address

City Province Postal Code

Dear Contact Name,

I am writing to you to ask for your participation in a brief survey on Corporate Social Responsibility Reports.

This survey investigates the reasons why firms choose to issue, or not to issue, standalone Corporate Social Responsibility (CSR) Reports. The questionnaire is designed to be easily filled out by someone in the organization involved with the decision to issue standalone CSR Reports. It should not take more than 10 minutes of your time.

Standalone CSR Reports are known by many different names, including "Sustainability Reports," "Environmental Reports," or "Citizenship Reports," among others. Regardless of what they are called, these reports are issued as separate documents, they are voluntary, and focus on social and environmental practices of the firm.

Thank you in advance for taking a few minutes to fill out this survey and sending it back to the Institute for Social Research at York University in the pre-paid envelope provided.

If you feel you are not qualified to respond to the survey, please give the enclosed questionnaire to the appropriate person at your company or provide us with the name of the proper individual to answer these questions. Please complete the questionnaire regardless of whether OR NOT your company issues CSR Reports.

Participation is voluntary; you do not have to answer any questions that you do not want to, and are free to withdraw from this study at any time, without penalty, financial or otherwise. There are no risks to answering the questions. All of your answers will remain strictly confidential to the fullest extent possible by law. Please be aware that refusal to participate, refusal to answer any particular questions or withdrawal from the study will not affect your relationship with the researchers, York University or any other group associated with this research study. Furthermore, in the event you choose to withdraw from the study, all associated data collected will be immediately destroyed wherever possible.

The identification number on the back of the questionnaire is simply so that the Institute for Social Research can manage the mailing and returns of questionnaires. At no time will your name (or that of your organization) be associated with your survey responses or published. This project has been reviewed and approved by York University's Human Participants Review Sub-Committee for compliance with the Canadian Tri-Council Research Ethics guidelines. Related ethical concerns should be addressed to Alison Collins-Mrakas at York University at 416-736-5914 or acollins@yorku.ca

Please feel free to contact me at xxxxxxxxxxx or via email: xxxxxxxxxxx if you have any questions.

Sincerely,
XXXXXXXXXX

While your participation is voluntary, your assistance is essential if the survey results are to be accurate. Your answers are collected for statistical purposes and will be kept strictly confidential. Data will be released in non-identifiable, aggregate formats only.

1. Does your company CURRENTLY issue a stand-alone Corporate Social Responsibility (CSR) report?

- 1 Yes
2 No → Please go to Question 19

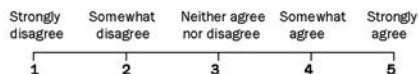
Please answer the following questions if your company CURRENTLY issues stand-alone Corporate Social Responsibility Reports.

2. Does your company have a separate Corporate Social Responsibility (CSR) department?

- 1 Yes → What is the name of the department? _____
→ What is the title of the person who is primarily responsible for compiling the stand-alone CSR reports? _____
2 No → What is the name of the department that handles it? _____

3. What does your company call the stand-alone CSR report? _____

4. Please fill in the number that best represents your opinion of each of the following statements:



- a. We use the CSR report to provide a complete, truthful and robust picture of our position on tough social and environmental issues _____
- b. We think CSR reports are particularly important when we experience negative press because we think it is important that stakeholders believe we are good corporate citizens _____
- c. We issue CSR reports as an overall corporate strategy of full transparency to ensure our stakeholders have a comprehensive picture of our social and environmental activities _____
- d. We use CSR reports to ensure that our stakeholders know that we are leaders in social and environmental activities, actions and policies _____

5. How important are each of the following reasons why your company issues stand-alone Corporate Social Responsibility reports?

	Very important	Somewhat important	Not very important	Not at all important
a. Ease of access of having all social responsibility information in one place	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴
b. Enhance reputation by impressing upon stakeholders that we are good corporate citizens	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴
c. To communicate to stakeholders that the company has a policy of corporate transparency	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴
d. Pressure from stakeholder groups	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴
e. Signal to stakeholders that the company is interested in social responsibility	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴
f. Keeping up with competitors	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴
g. To mitigate the effects associated with a company social responsibility related disaster	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴
h. CEO/Board Commitment	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴
i. Enhance reputation by providing truthful and robust information on tough issues	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴
j. Comply with international regulations imposed on Corporate Head Office	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴
k. Stay ahead of potential future regulatory requirements	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴
l. Other reason (<i>please specify</i>)	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴

6. Why do you think that it is important to include social and environmental information in a *separate stand-alone* CSR report rather than not disclose it or disclose it in the annual report, company website or in other informational disclosures?

7. How important are each of the following possible benefits to your company of issuing these stand-alone CSR reports?

	Very important	Somewhat important	Not very important	Not at all important
a. To counter negative publicity about our firm.....	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴
b. To enhance the reputation of our firm.....	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴
c. To communicate our firm's positive social and environmental <i>activities</i> to stakeholders	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴
d. To communicate our firm's total social and environmental <i>commitment</i> to stakeholders	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴
e. Other benefit (<i>please specify</i>).....	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴

8. Have any of the following negative repercussions arisen from your company issuing stand-alone CSR reports?

	Yes	No
a. Negative backlash from information disclosed.....	<input type="checkbox"/> ¹	<input type="checkbox"/> ²
b. Reputation deteriorated	<input type="checkbox"/> ¹	<input type="checkbox"/> ²
c. Communicate negative social and environmental activities to stakeholders	<input type="checkbox"/> ¹	<input type="checkbox"/> ²
d. Other (<i>please specify</i>).....	<input type="checkbox"/> ¹	<input type="checkbox"/> ²

9. Does your current CSR report follow *Global Reporting Initiative (GRI)* guidelines?

- ¹ Yes
- ² No
- ⁸ Not Sure

10. Is your CSR report independently verified?

- ¹ Yes What is the name of the company that verifies it?.....
- ² No
- ⁸ Not Sure

11. How many months does it take your company to compile and produce your stand-alone CSR Report?
Please check only one.

- ¹ One month or less
- ² Two months
- ³ Three months
- ⁴ More than three months

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12. How many people are involved in compiling the CSR Reports? *Please check only one.*

- ¹ 1 to 2 people
- ² 3 to 4 people
- ³ 5 to 10 people
- ⁴ 11 to 20 people
- ⁵ More than 20 people

13. How often does your company issue these stand-alone CSR reports? *Please check only one.*

- ¹ Annually
- ² Every other year
- ³ Ad hoc basis (i.e., whenever there is something to report)
- ⁴ Other (*please specify*) _____

14. How important were each of the following factors in your company's decision to issue CSR reports with that frequency?

	Very important	Somewhat important	Not very important	Not at all important
a. Cost	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴
b. Time and effort	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴
c. Stakeholder pressure	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴
d. Nothing new to report	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴
e. Not enough benefit	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴
f. Other (<i>please specify</i>) _____	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴

15. Please estimate the total cost of issuing a stand-alone CSR report for your company.

- ¹ Under \$10,000
- ² \$10,000 to \$30,000
- ³ \$31,000 to \$50,000
- ⁴ \$51,000 to \$75,000
- ⁵ Over \$75,000

16. Do you foresee ever discontinuing CSR reports?

- ¹ Yes Please state why and when _____
- ² No
- ³ Not Sure

17. Has your company ever *temporarily* stopped issuing stand-alone CSR reports?

¹ Yes For how long? _____

² No → *Please go to the end of the questionnaire*

18. How important were each of the following factors in your company's decision to *temporarily* stop issuing stand-alone Corporate Social Responsibility reports?

	Very important	Somewhat important	Not very important	Not at all important
	1	2	3	4
a. Cost	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴
b. Time and Effort	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴
c. Other priorities became more important.....	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴
d. Not enough benefit from doing it.....	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴
e. Nothing good to report	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴
f. Decided to follow a policy of non-transparency.....	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴
g. Can't be bothered.....	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴
h. Other (<i>please specify</i>).....	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴

Please answer the following questions if your company does NOT currently issue stand-alone Corporate Social Responsibility Reports.

19. Why does your company choose NOT to issue stand-alone Corporate Social Responsibility reports?

Please check all that apply.

- a. Too costly
- b. Too much time and effort
- c. CEO/Board is not interested
- d. CSR is not a high enough priority
- e. No perceived benefit
- f. No stakeholder pressure
- g. No legal requirement
- h. Other (*please specify*) _____

20. Has your company EVER issued stand-alone CSR reports?

¹ Yes

² No → *Please go to Question 22*

21. How important were each of the following factors in your company's decision to stop issuing stand-alone CSR reports?

	Very important	Somewhat important	Not very important	Not at all important
a. Cost.....	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴
b. Time and Effort.....	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴
c. Other priorities became more important.....	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴
d. Not enough benefit from doing it.....	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴
e. Nothing good to report.....	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴
f. Decided to follow a policy of non-transparency.....	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴
g. Can't be bothered.....	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴
h. Other (<i>please specify</i>).....	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴

22. How likely is it that your company will issue stand-alone CSR reports in the future?

Very likely	Somewhat likely	Not very likely	Not at all likely	Not sure
1	2	3	4	8

23. How important are each of the following factors in your company's decision to issue stand-alone Corporate Social Responsibility reports in the future?

	Very important	Somewhat important	Not very important	Not at all important
a. Regulation.....	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴
b. Stakeholder pressure.....	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴
c. Cost no longer prohibited.....	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴
d. CEO/Board commitment.....	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴
e. Keeping up with competitors.....	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴
f. Enhance reputation by impressing upon stakeholders that we are good corporate citizens.....	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴
g. Other (<i>please specify</i>).....	<input type="checkbox"/> ¹	<input type="checkbox"/> ²	<input type="checkbox"/> ³	<input type="checkbox"/> ⁴

Your Name: _____

Your Title: _____

Would you like to receive a copy of the overall results of this survey?

1 Yes **Please provide your e-mail address:** _____

2 No

If you have additional comments, please add them below:

Thank you for your participation!

*Please return your completed questionnaire to the Institute for Social Research
in the postage-paid envelope provided.*

Project E27

About the authors

Linda Thorne is a Professor of Accounting at the Schulich School of Business with over 40 publications focussing on ethics and responsibility in accounting. Her research is aimed at understanding the ethical decisions and decision process of professionals, and in particular professional accountants. This involves different methodologies including experimental, survey, and qualitative research techniques. This area of research is particularly applicable in

developing an understanding of the factors and characteristics that are important to influencing the ethical decisions in organizations. Professor Linda Thorne is the corresponding author and can be contacted at: lthorne@schulich.yorku.ca

Dr Lois S. Mahoney research is focussed in the areas of Ethics and Accounting Information Systems. Dr Mahoney has received several research awards, including the 2006 EMU College of Business Outstanding Research in Business Award, Best Paper award at the Seventh Symposium on Ethics Research in Accounting, Certificate of Merit Manuscript Award from the Institute of Management Accountants. She is cited as one of the Top Prolific Accounting Authors in *Advances in Accounting*. Dr Mahoney is also actively involved in the American Accounting Association.

Dr Giacomo Manetti, Assistant Professor, holds a PhD in Planning and Control from the University of Florence and a Master Degree in Business Administration from the University of Florence. His research interests include stakeholder theory, corporate social responsibility, sustainability reporting and assurance, third sector, and accounting history. He is author of many articles on national and international journals and of three books. He serves as a referee for the following journals: *Journal of Business Ethics*, *Nonprofit and Voluntary Sector Quarterly*, *Voluntas International Journal of Voluntary and Nonprofit Organizations*, *International Journal of Business Governance and Ethics*. He was a Visiting Scholar at the Schulich School of Business of the York University (Toronto) in 2012.