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Corporate Social Responsibility and Accounting

- A Literature Review

Master thesis in Financial Accounting
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Abstract

Master Thesis in Financial Accounting, School of Business, Economics and Law, University of Gothenburg, fall semester 2012

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Title: Corporate Social Responsibility and Accounting - A literature review.

Background and problem: Corporate Social Responsibility (CSR) is an area which has gained much attention the last 10-15 years. To satisfy various stakeholders, corporate social responsibility has increased its importance and often constitutes a substantial part of the firms' financial reports, in spite of the fact that there are no legal requirements. However, to perform strategic CSR-reporting has become more or less compulsory for firms. The research question is: What research has been performed in the area of corporate social responsibility and accounting?

Aim: The aim is to provide a structured overview of the literature in the area of corporate social responsibility and accounting regarding the years 2002-2012. The overview will provide a basis for future research and constitute a framework for focused research question.

Delimitation: The focus of this study is on research published in scientific journals from 2002 until 2012.

Method: A literature review was performed including peer-reviewed papers published in scientific journals. Database search were performed in Business Source Premier (BSP) with the keywords "Corporate social responsibility" and "accounting", and the time limit was set to 2002-2012.

Results and conclusions: The main result is shown in Table A1, which presents the structured overview and the categorization. All papers treated stakeholder theory showing that this theory has gained large acceptance in the area. The categories were based on which stakeholders were identified and were the following: Shareholder theory, Business students, Management, Employer/Human resource, Men and Women, and General. The shareholder perspective, emphasizing the role of investors, tends to have little support. The gender perspective was pronounced and Men and women was the first category to be identified. Awareness of ethical aspects is needed among firms when dealing with CSR and accounting.

Future research: New media channels, like facebook and twitter, have emerged recently and one question is how firms handle stakeholders via these new channels. To investigate how the area gender, CSR and accounting is shaped and if there are differences in adherents to stakeholder theory and shareholder theory in relation to gender is a question. To extend the literature review to more years would permit to see if there has been a change in dominance of theories. Finally, more student groups but business students are relevant to examine in how they meet CSR related issues in their education, and also how to educate today managers.

Keywords: corporate social responsibility, accounting, literature review, stakeholder theory.

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1 Introduction

Background and problem

Corporate Social Responsibility (CSR) is an area which has gained much attention the last 10-15 years. There is no generally accepted definition of CSR, however, attempts have been made to define the area. The EU-commission presented a definition in 2001, which was changed in 2011:

“the responsibility of enterprises for the impacts of society” (EU commission, 2011, p 6).

Another aspect is that CSR activities can be seen to go beyond the law and the interest of the firm (McWilliams & Siegel, 2001). There are adherents and opponents to CSR. Some say that strategies, measures and thinking according to CSR principles do not make corporations profitable and this is against classical theories how markets work (Ammenberg, 2012). Friedman expresses this in a famous line:

“The social responsibility of business is to increase its profits” (Friedman, 1970)

The main issue is that a company is seen to best contribute to society by increasing profits and ensure economic growth, rather than perform philanthropic activities (Borglund et al., 2012). Some say that CSR leads to unnecessary high costs for the corporations and, indirectly also for society.

On the contrary, others say that many of the corporations who perform CSR know how the market works. If society, including the customer, demands responsibility taken by the corporation and chooses products and services from these corporations, then the corporations who take responsibility will be more successful. Also, irresponsible acting leads to much higher costs both for the company and society. The main aim with CSR is that corporations who want to be successful in the long run must adjust their value systems so that they are in line with what society wishes for in the long run (Ammenberg, 2012).

Globalization is one factor which has shown that CSR is becoming important (Blowfield & Murray, 2008). International trade has increased during the 20th century leading to new aspects on the relationship between business and society. When corporations tend to move their production to e.g. Latin America or South East Asia, it results in environmental and human consequences in these areas and the question of corporate responsibility is raised.

The company cannot satisfy only the needs of the investors, i.e. the shareholder value. There are a number of persons or groups who influence the company. Also, the company influences these groups, which are called stakeholders (Donaldson & Preston, 1995). The stakeholders are customers, communities, employees, trade association, suppliers, governments and political groups. The corporation can be seen to have a direct moral obligation to some stakeholder groups, e.g. financiers, employees and customers, to attend to their well-being (Phillips et al., 2003).

The stakeholder theory and the legitimate theory overlap each other to some extent. The legitimate theory includes the idea of a social contract, i.e. an agreement that is implicit between the company and its stakeholders (Deegan et al., 2002). The company can choose to reveal information in its disclosure which is in line with the stakeholders' expectations. If the

activities the company undertakes are perceived acceptable then it is seen as legitimate and the company reaches its “license to operate” (Borglund et al., 2012). The expectations in society change over the years. Corporates need to be responsive to their ethical environment as norms change (Islam & Deegan, 2007).

In the CSR-reporting, companies show that they are aware of risks and what measures they will take against risks. CSR is not (yet) regulated by law. However, to perform strategic CSR-reporting has become more or less compulsory for the companies (Borglund et al., 2012). Companies tend to behave more and more similar, e.g. when the context is changing and there is uncertainty in the environment, a process known as isomorphism in the institutional theory (DiMaggio & Powell, 1983, and Islam & Deegan, 2007).

Corporate social responsibility is goal oriented and based on norms of society and the company. The company should have an active dialogue with its stakeholders and in this process define their CSR activities and engagement. The CSR work can be expressed in codes of conduct, implementing global guidelines, standards and certification systems. The organization Global Reporting Initiatives (GRI) has guidelines for sustainability reporting and tries to make responsibility concrete and measurable. GRI is the most frequently used in CSR reports (Borglund et al., 2012, and www.globalreporting.org). The UNs Global Compact tries to make clear what responsibility a company should take (www.unglobalcompact.org). In 2010, the International Standards Organization (ISO) produced the ISO 26000, a standard in the social responsibility area. There is also a standard concerning the environmental area, the ISO 14000 (www.iso.se).

Two requirements should be fulfilled, namely that the company should engage its competence in the CSR work, and that the aim must be essential to fulfill (Borglund et al., 2012). The companies who show created value for the customer and society receive attention and visibility. This, in turn, creates value for the company and its owners. The companies communicate with their stakeholders via different channels, e.g. media. The so called social media is a growing channel. The company must be prepared for and responsive of a solution when communicating with stakeholders to be legitimate (Borglund et al., 2012).

The aim of financial accounting is to satisfy external reporting and is regulated by law, (International Accounting Standard 1 Presentation of financial statements, IAS 1). Together with the corporate social responsibility reports, which are part of the voluntary disclosures, the financial reports constitute support for decisions for management. However, as seen above, there are stakeholders as well as shareholders. To satisfy various stakeholders, corporate social responsibility has increased its importance and often constitutes a substantial part of the firms’ financial reports, in spite of the fact that there are no legal requirements. This thesis makes a contribution to the area of corporate social responsibility and accounting by performing a literature review to reveal what research has been performed so far and find indications of where future research can aim at.

The research question is:

- What research has been performed in the area of corporate social responsibility and accounting?

Aim

The aim is to provide a structured overview of the literature in the area of corporate social responsibility and accounting regarding the years 2002-2012. The overview will provide a basis for future research and constitute a framework for focused research questions.

Delimitation

The focus of this study is on research published in scientific journals from 2002 until 2012.

2 Method

This chapter describes the literature review and how it was performed, including database search, keyword, and time limits. The selection of papers and categorization of the papers are explained. The chapter is completed with aspects on validity, reliability and limitations of the study.

Literature review

The topic of the literature review is corporate social responsibility and accounting. This review aim at showing what research has been performed in the area. Literature review can be defined as follows:

The selection of available documents (both published and unpublished) on the topic, which contain information, ideas, data and evidence written from a particular standpoint to fulfil certain aims or express certain views on the nature of the topic and how it is to be investigated, and the effective evaluation of these documents in relation to the research being proposed.
(Hart, 1998, p 13).

The above citation indicates published as well as unpublished documents. In this review, peer-reviewed papers published in scientific journals are included. This means that the publication has undergone thorough methodological assessment by its reviewers, who are researchers, and the research is most likely of high quality (Cooper, 1998). However, research can also be published in other ways, e.g. conference proceedings, editorials and books, and these are not included in this review. Conference proceedings often also undergo the process of scrutiny, but this process is often not as thorough as in a peer-review journal. This implies that the review process for journals is more profound, which in turn leads to higher quality in journal articles compared to other publication forms.

Database search

The following databases were used in the search: Business Source Premier (BSP), Science Direct and Web of Science (earlier known as Web of Knowledge). All databases were reached via the University Library in Gothenburg. The main database was BSP and the searches in the other databases were performed with BSP as model, i.e. the same keywords, time limits and settings were used in all databases.

The time limit 2002-2012 was used. The time limit that is chosen is based on that recently performed research is built on earlier performed research.

Keywords were obtained from the Special issue Sustainability in Accounting, Auditing & Accountability Journal, 2010, Vol. 23, issue 7, start page 829. The main search included the keywords “corporate social responsibility” and “accounting”. The first keyword to use was “Corporate social responsibility”, to discover what a broad conceptual search would result in (Cooper, 1998). By adding Accounting the result was limited to fewer articles in the topic of this thesis. Also the keyword Auditing was used in replacement for Accounting, however, this search resulted in very few journals and no further keywords were used.

The phrase “corporate social responsibility” was searched in BSP in AB Abstract or Author-supplied Abstract. The word accounting was searched in SU Subject terms. When the phrase “corporate social responsibility” and the word accounting were searched in KW Author-

supplied Keyword, the result was very few articles, and hence, KW Author-supplied keyword was not chosen in the search.

The search result for the years 2002-2012 is presented in Table 1.

Table 1. Search result for databases and keywords. Database search was performed 2012-12-02.

Database	Keywords	Years 2002-2012
Business Source Premier (BSP)	Corporate Social Responsibility AND Accounting	70
Science Direct	Corporate Social Responsibility AND Accounting	282
Web of Science	Corporate Social Responsibility AND Accounting	150

In the database BSP, the keyword “Corporate social responsibility” was searched in the Thesaurus which showed that the keyword should be rephrased to Social responsibility of business. However, more results were obtained if Corporate Social Responsibility was used, and these results were considered relevant for the topic. Consequently, the keyword corporate social responsibility was used in the searches in Business Source Premier and the other databases. Furthermore, it is more likely that authors chose corporate social responsibility, which is a more common phrase, than Social responsibility of business, when they denote keywords to their publications.

Selection of papers

Of the articles found in BSP, only one journal article was found in all three data bases, two articles were found in BSP and Science direct and eight in BSP and Web of science. The consequence of this was that the search was concentrated to the 70 articles found in BSP. The articles were read in order of date descending, as the focus is on recent and relevant research. So, articles from year 2012 were first read, then 2011, etcetera, in order to begin to categorize the articles.

Papers which were published in top-ranked journals according to Baldvinsdottir et. al., (2011) were chosen. Also, papers published in Journals of Business Ethics were included, since a large amount of the search result in BSP was published in this journal.

In total 20 papers were included. In year 2008, there were 14 papers of which 11 were in top-ranked journals as by Baldvinsdottir et. al., (2011) These 11 papers were given numbers, and by lottery 6 of them where included in this theses, as to reach 20 papers in total.

It would have been desirable to include more than 20 papers. Due to the time limit of the thesis, 20 papers were considered reasonable to handle in the thesis. The reading process is facilitated gradually as more papers are being read. After the categorization is set, the reading process is speeded up as the categorization facilitates finding the objective for the search. This thesis can be seen as a structure how to approach this area in future literature studies.

The 20 papers were published in the following journals, see Table 2.

Table 2. Peer-reviewed journals, n=20.

Peer-reviewed Journals	Number
Journal of Business Ethics	16
Accounting Review	2
Critical Perspectives on Accounting	1
Accounting and Business Research	1

As can be seen, 16 of 20 papers, i.e. 80 percent, are published in the Journal of Business Ethics.

Categorization of papers

The 20 papers show a large dispersion of topics and methods. The papers were categorized according to the theories they based their research on. The stakeholder theory is relevant and present in all papers. Most papers concentrate on a special group of stakeholder and those distinguished are shown in Table 3. One category is General, i.e. these papers did not point out a special stakeholder group, but treated stakeholders in general.

Table 3. Overview of categories.

Category	Number of papers
Stakeholder theory	20
Shareholder theory	2
Business students	2
Management	6
Employer/Human resource (HR)	2
Men and Women	3
General	5

Validity and reliability

The validity in this study depends on the degree of papers relevant to the topic included in the study (Cooper, 1998). On the webpage of the University Library, the database BSP is listed under the topic Business Administration; thus the BSP database is relevant for the studied topic. Result from one database, BSP, was included in the study. The validity also depends on to what degree the groups or respondents in the papers represent all groups or respondents in the target group (Cooper, 1998). In the 20 papers, the spread of the content is large, showing that the topic of corporate social responsibility and accounting is wide. As more recent research is based on older research, the possibility increases that a spread of the topic is covered, as the papers cover more recent research.

This chapter strives to be so clear and precise that it should be no hindrance to reproduce the literature review, and by this the criteria of transparency and replicability, i.e. reliability aspects, have been taken into consideration.

Limitations of the study

The source of relevant journals was BSP. Another data base source would give another result, although some articles would most likely be the same. Literature reviews can be performed in several ways. An alternative way would be, for instance, to directly search chosen journals, e.g. search all journals on the top-20 ranking of journals (Baldvinsdottir et. al., 2011). Given the time limit for this thesis, this was not possible. Also, to include more than 20 papers from BSP, e.g. 50 or all 70 papers found in BSP, would result in a more comprehensive overview of the research. To study 20 papers from, for instance, a search performed in Web of Science and compare or complement the result with the result of this thesis would be interesting. Again, the time limit of the thesis did not make this possible.

3 Frame of reference

This chapter presents an overview of theories which are relevant for the discussion. These are theories that the papers from the database search base their research on. The chapter starts with stakeholder theory and legitimacy theory, which are two theories closely related. Furthermore, shareholder value is presented. Information asymmetry and principal-agent theory are phenomenon that are often present simultaneously and the principal-agent theory can be applicable for stakeholders as well as shareholders. The chapter is completed with sections on ethical aspects and isomorphism.

Stakeholder theory

The stakeholder theory implies that the business interacts with a number of actors in its environment. These actors or groups are called stakeholders and can be investors, political groups, customers, communities, employees, trade association, suppliers, government etcetera. The communication or influence is bidirectional; i.e. the business influences the stakeholders, and the stakeholders influence the business (Donaldson & Preston, 1995), see Figure 1.

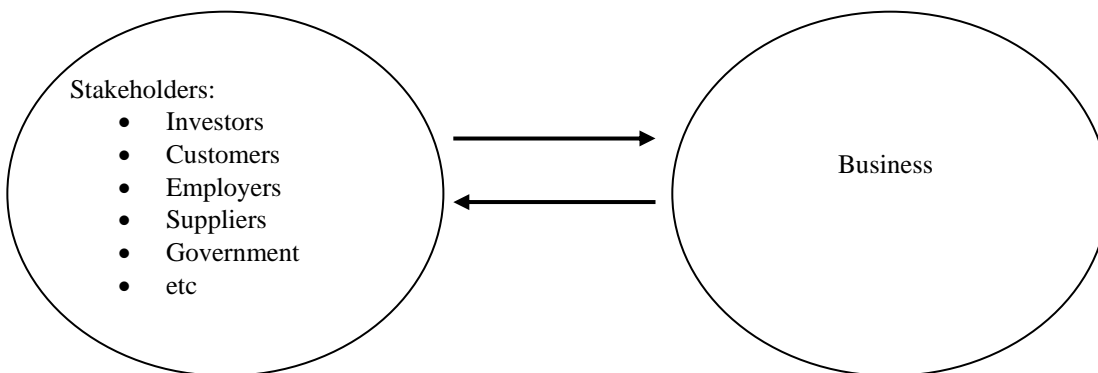


Figure 1. Directions of the influence of stakeholders and business.

Stake is defined as a potential benefit. Businesses take into consideration people or groups who have an interest in the business. The stakeholder theory can be viewed as descriptive, instrumental or normative. An explanation of past, present and future conditions of the business and its stakeholders denotes the descriptive perspective. If there is a relationship between the stakeholders and profitability, this denotes the instrumental perspective. If the function of the business is explained by presenting code of conducts and guidelines, this is the normative perspective, and Donaldson & Preston mean that stakeholder theory is fundamentally normative.

Several studies show that it can be seen as unethical to only focus on the interest of the shareowners and not in the interest of employers and customers (Donaldson & Preston, 1995). The central implication of the stakeholder theory is that not only the shareowners but also a vast set of stakeholder interests should be satisfied by the managers. Stakeholders are identified by having a legitimate interest in the corporation, and not the other way round, i.e. that the corporation have an interest in them.

The stakeholder theory is not only about the outcome of the firm's actions, but also the decision making process. If the process in decision making is completed in a fair way, then

outcomes will be accepted to a larger extent. Some stakeholders, e.g. financiers, employees, customers, suppliers and local communities can be seen as groups that the firm has direct obligation to, and these groups are called normative stakeholders. Some groups, e.g. competitors or media, can benefit or damage the firm and the firm has no direct obligation to these stakeholders (Phillips et al., 2003)

Stakeholder theory concerns management and ethics, and is more than only profit maximizing, i.e. the perspective of the shareholders (Phillips et al., 2003). Several groups can facilitate or prevent to reach the goals of the firm and the firm should take these interest groups into consideration.

The stakeholder concept can be viewed both as simple and complex. It is often rather simple to identify the groups or individuals which are affected or can affect the organization's goal. When these groups are identified, it is a complex mission to handle the relationships with the groups. Several changes have occurred since the 1980s in the external environment, for instance the emergency of activists or environmental groups, the globalization which have lead to increased foreign competition, an increasingly harsh media sector, the appearance of new media channels and a loss of confidence in the managers and corporations among citizens (Freeman, 1984). There are several challenges for the firm to handle.

Legitimacy theory

The stakeholder theory and the legitimacy theory overlap to some degree. The legitimacy theory implies that there is interaction between groups and society. Organizations are one part of society and they exist if they are considered legitimate by groups in society. Legitimacy theory is based on the idea of the "social contract", a more or less outspoken agreement, which gives the organizations "licence to operate". If the firm is not behaving in an acceptable, or legitimate, way, then the stakeholders will react in different ways so that the firm continues its accepted way. Legitimacy is important for the firm's survival. The firm can influence the situation, e.g. by which information it reveals about environment and social issues, and select to reveal expected information, which satisfies society (Deegan, 2002). The firm can choose to take action or not take actions. Stakeholders are defined through if they will experience benefits or drawbacks from these actions. If there exists a contract between a group and the firm, then this group is defined as a legitimate stakeholder. These legitimate stakeholders should obtain benefits via the activities the managers decide upon (Donaldson & Preston, 1995).

Firms can influence society by the information, which is revealed in their reports. The management will have strategies, e.g. reporting or disclosure strategies, how to respond to the expectations in society. Legitimacy can be seen as a resource, like financial capital (Deegan, 2002).

The legitimacy theory states that organizations seek to operate within what is considered acceptable in society. What is considered as acceptable behavior changes over time and the firm must be prepared for variations in the environment, taking ethical aspects into account (Islam & Deegan, 2007). Even if there is no legal requirements, firm tend to publish corporate social responsibility reports, because other firms in the industry do so, a phenomenon known as isomorphism (DiMaggio & Powell, 1983, and Islam & Deegan, 2007).

Information asymmetry and principal agent theory

The main communication means for management is financial reporting and disclosure (Healy & Palepu, 2001). Via the reports the management provides support for decision makers. The decision makers are found in several stakeholder groups. For the capital market to function efficiently, disclosures from businesses are crucial (Healy & Palepu, 2001). The disclosures can take several forms and one is CSR reporting. If the firm takes part in CSR activities, it is important for the firm to communicate this to the stakeholders, as this is often a way to reach legitimacy among stakeholders. Also, investors are important. In its CSR reporting, the firm can show that it is aware of, for instance, different risks in the business' context. The need for financial reporting and CSR reporting is a result of information asymmetry and principal-agents conflicts, i.e. stakeholders and management, as these often have different incentives (Healy & Palepu, 2001).

Information asymmetry exists between firms and actors (stakeholders) and the firm has information advantage. This phenomenon leads to that the market will not function as firms or products cannot be discerned as good or bad, and this is known as the "lemons" problem (Akerlof, 1970). Actors value companies based on their own information. If the actors cannot separate the good and bad ideas or firms, it will lead to that some good firms will be undervalued and some bad firms will be overvalued. Both good and bad firms will be valued at an average level. Solutions to the lemons problem are e.g. optimal contracts, regulations and information intermediaries such as analysts (Healy & Palepu, 2001). The financial reports and voluntary reports produced by firms are important in the decision making process for various actors, and is one way to reduce information asymmetry.

The principal-agent theory (Jensen, & Meckling, 1976) is applicable in this context. Society, consisting of stakeholders, is the principal, and managers acting on assignment from the stakeholders, are the agents, see figure 2. Various stakeholders have different stakes to the firm and the importance differs between them concerning power towards the managers. Rather than aiming at different economic and financial targets, the success of a business is due to satisfying a variety of stakeholder claims, according to one perspective (Deegan, 2002). There are different incentives for the principal and agent, leading to that the agent might not perform in the stakeholders' interest. The agency problem can be solved e.g. via contracts (Healy & Palepu, 2001). Here, information is needed for the principal to be able to see if the agent acts according to the contract. The principal-agent theory can be applicable to stakeholders as well as shareholders (see below).

Shareholder theory

Not all agree that the interest of several stakeholders should be included. From the perspective of shareholder value, the owners are special stakeholders and their interests should be prioritized. The company's goal is to increase the value of the investments, i.e. to increase the wealth of capital owners. Shareholder value means that different groups of owners will in short term or long term see its investment increase in value, no consideration taken to other aspects, e.g. social or environmental aspects. The managers' task is to increase the owners' investment. The origin of the shareholder perspective is that most companies start from an owner initiative which is associated with risk. The owner or entrepreneur invests his or her resources in an idea, but without a guaranteed return on investment. The return to other stakeholders, e.g. lenders, employees, suppliers, is often regulated in contracts. The owner can exert influence over the business, which to some degree compensates for the higher risk. The owners should therefore be prioritized over other stakeholders (Borglund et al., 2012).

The executive management should not take any further consideration to social or environmental aspects, but what is regulated in law or support corporate social responsibility activities with resources from the company (Friedman, 1970). The implementation of CSR most often leads to cost increase and a lower performance. Furthermore, companies do not always have the knowledge or competence for different kinds of social and environmental projects. Resources are not used effectively when companies engage in different CSR-activities (Henderson, 2001).

Since the 1980s the perspective of shareholder value has become established in the US and the UK, as a principle of corporate governance. Also, in Europe this principle has gained interest since the late 1990s (Lazonick & O’Sullivan, 2000). This is also true for Sweden where shareholders are prioritized over stakeholders (Borglund, 2006). Principal-agent theory can be applied on the shareholder theory, where shareholders are the principals and managers are the agents, see Figure 2.

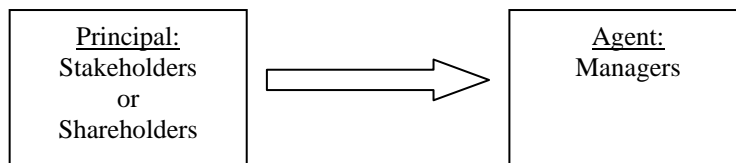


Figure 2. Agents, who are managers, act on assignment of the principal, who are stakeholders or shareholders.

In a study (Lazonick & O’Sullivan, 2000), performance was measured as rate of return on corporate stock. It was shown that both shareholders and managers benefitted when shareholder value was applied. Also, consumers, suppliers and distributors were better off. However, it can be questioned if managers always work in the interests of shareholders. Shareholders must rely on managers to perform various functions. Managers may prioritize themselves in the running of companies, which means that they do not create value for shareholders (Lazonick & O’Sullivan, 2000).

Ethical aspects

As seen above, the ethical aspect is relevant in CSR activities. The stakeholder theory is a theory which takes ethics into consideration. It is not ethical to give attention only to shareholders and neglect employers’ and customers’ interest (Donaldson & Preston, 1995). Not only profit maximizing, but also concern for several stakeholders’ interests, rather than only investors, are important (Phillips et al., 2003). The company must relate to several actors as its activities influence several groups or organizations. During the years, norms and values change and behavior which was earlier perceived as acceptable, may later or in a different setting be considered inappropriate or unacceptable (Islam & Deegan, 2007). The company must integrate several aspects from many actors in the surrounding environment.

The motivation for CSR has its origin in three philosophical approaches and they are: utilitarian, negative duty approach and positive duty approach (Swanson, 1995, Cornelius et. al. 2008). Firstly, one objective is profit and return on investment. By performing CSR, the company can earn money for its investors. The negative duty approach implies that firms adjust to external pressure from stakeholders to perform CSR activities. The firm is more or less compelled to perform socially responsible activities to meet the expectations of the stakeholders. The positive duty approach implies that firms choose to do CSR activities

because they want to and believe in it, not by external pressure. It is to various degrees integrated in the business culture to realize socially responsibility activities. The central core is motivation, and ethical activities also incorporate respect for the context, including several stakeholders. If CSR is profitable or motivated from a strategic purpose, it is hardly a question for business to adopt it. However, it is not easy to measure performance or conceptualize ethics (Cowton, 2009). Even so, just because it pays off is not a criterion for justification. Furthermore, different results can appear in the short term and in the long term (Swanson, 1995).

Isomorphism

The negative duty approach implicates that firms more or less compulsory perform CSR activities to satisfy the stakeholders. This is close to isomorphism in institutional theory. When the environmental context changes, organizations tend to behave more similar (DiMaggio & Powell, 1983). Several factors have changed in the external environment the last decades (Freeman, 1984). These changes are, for instance, the globalization and with it changed conditions for competition. The media sector works with new channels to communicate and the speed to spread information is increased via social media. Environmental orientated organizations, so called non-governmental organization (NGOs), have appeared.

Isomorphism is a process which forces a firm to behave similar to other firms if they are facing the same surroundings (DiMaggio & Powell, 1983). Coercive isomorphism means that legitimacy is the cause to change and the pressure can be formal or informal. The pressure can come from stakeholders and or legal sources. The CSR concept includes notions of going beyond what is requested in law and the firm's first interest (McWilliams & Siegel, 2001). Mimetic isomorphism means that the firm reacts in a standardized way, and copy other firms' activities and behavior (DiMaggio & Powell, 1983). A business can start out with mimetic behavior and but after a while integrate ethical activities in the every-day practices of the business (Cornelius et al., 2008). Uncertainty in the environment is one factor which leads to similarity in behavior among firms. The behavior, which leads to organizations becoming similar, is institutionalized.

4 Results

This chapter begins with an overview of the characteristics of the total sample (n=70) found in BSP, namely distribution on subject, years and the journals papers are published in. After that the result of the 20 papers included in this thesis follows. The presentation covers research issue, method and main findings. Also, the categorization of the papers is presented and the basis for categorization.

Distribution of subject, journals and years for the result in BSP (n=70)

This section describes the result for the total sample found in BSP, i.e. n=70. The search in BSP revealed the following distribution in regard of subject, see Table 4:

Table 4. Distribution on subject, n=70.

Subject	Number	Percentage (%)
Moral & ethical aspects	11	16
Social responsibility	11	16
Economic aspects	5	7
Sociological aspects	4	6
Voluntarism	4	6

As can be seen from the table above the two subjects Moral & ethical aspects and Social responsibility where most frequently published.

The articles found in BSP were from the following years, see Table 5:

Table 5. Distribution over the years, n=70.

Years	Number	Percentage
2012	4	6
2011	7	10
2010	5	7
2009	9	13
2008	14	20
2007	4	6
2006	6	9
2005	11	16
2004	5	7
2003	3	4
2002	2	3
<i>Total</i>	<i>70</i>	<i>100</i>

The distribution over the years shows that in 2005, 2008, an 2009, a large percentage of the papers were published. There is no even pattern of increasing publication rate in the area, which could have been expected, as there has been an increase of corporate social responsibility in the last 10-15 years.

Of all papers found in BSP, fifty percent of the papers were published in the Journal of Business ethics, see Table 6.

Table 6. Journals where articles were published, n=70. The table displays publication up to two papers in a journal.

Journal	Number	Percentage (%)
Journal of Business Ethics	35	50
Financial management	4	6
Business ethics: a European review	3	4
Accounting review	2	3
Business & society review	2	3
California management review	2	3
Corporate reputation review	2	3

As seen in Table 2, 16 of the 20 articles were published in the Journal of Business Ethics, i.e., a larger share. As earlier stated in the Method chapter, the papers were chosen based on journals on the top-20 ranking (Baldvinsdottir et al., 2011) and the Journal of Business Ethics. That is why the total result (n=70) does not correspond to the 20 papers included in the thesis. Corporate social responsibility and accounting is to a large extent connected to ethical questions which make it relevant to publish in the Journal of Business Ethics. Also, the stakeholder theory is about management and ethics, and since the papers treat the stakeholder theory, it can be expected that a large share of the papers are published in an ethics-related journal.

Reviewed articles (n=20)

This section presents the result of the 20 included papers in this study. In Table A1 in the Appendix 2, the structured overview is presented, including categories, research issue, method and main findings. The countries, i.e. the origins of the papers, are based on the main authors.

Of the 20 articles, 8 are from the U.S., 4 from the U.K., 2 from Canada, 2 from Spain, 1 from Sweden, 1 from Estonia, and 1 from Finland. The topic seems to attract attention mainly by researches in the western world. The papers cover theoretical discussions, quantitative studies with samples from data sources, in-depth interviews, and questionnaires.

Categorization

The categorization of the articles is presented in Table 8. All papers can be interpreted to use the stakeholder theory. The papers were searched for the term “stakeholder” and all papers contained it, except for one, namely MacPhail & Bowles (2009). The majority of the papers contained the term in several places, some papers only mentioned it a few times. Of course, by containing a term does not always mean that stakeholders are the main feature of the paper. The papers were also read and studied and the decision was made to categorize them according to different groups of stakeholders. The paper by MacPhail & Bowles (2009) has a distinct gender perspective in the result section and was categorized to Men and Women.

Most papers focus on a specific group of stakeholders, and these formed categories. One group was *Shareholders*. This can be seen as a theory in opposite to stakeholder or as a stakeholder. In this thesis, shareholders are treated as stakeholders, and they can vary in importance. Furthermore, *Business students* were identified as a stakeholder group. Several papers have the *Management* perspective and closely related is the *Employer/Human resource* group. Three papers had a pronounced gender perspective and were categorized to *Men and Women*. In some papers, no particular stakeholder was mentioned, but stakeholders were treated in general, and these fitted in the category *General*.

Table 8 shows the papers divided in categories.

Table 8. Papers divided into categories and description of categories.

Category	Paper	Description of category
Shareholder theory	Evans, 2012 Moser & Martin, 2012	Both stakeholder theory and shareholder theory are desirable in accounting and CSR activities.
Business students	Gordon, 2011 Kolodinsky et al., 2010	How text books for business students cover topics like CSR and ethics, and the perception among business students about CSR.
Management	Sikka, 2012 Jo & Na, 2012 Arvidsson, 2010 Pedersen, 2010 Cowton, 2009 Alas & Tafel, 2008	The notion of CSR, human rights, risk, communication, responsibility among management and owners.
Employer/Human resource (HR)	Fuentes-García et al., 2008 Cornelius et. al, 2008	CSR in relation to HR, e.g code of conducts, and internal CSR like career development.
Men and Women	MacPhail & Bowles, 2009 Stoll, 2008. Lämsä et al., 2008	Differences between men and women concerning attitudes among business students towards business responsibilities. Feminist approach when analyzing critique against CSR.
General	Hong & Andersen, 2011 Preuss & Perschke, 2010 Rama, 2009 Argandoña & Hoivik, 2009 Chen et al., 2008	Does not point out a specific stakeholder group. Treats a wide spectrum of areas; communication process, small and medium enterprises, institutional change, corporate legitimization action.

Some papers could fit in more than just one category. They were sorted in the category found as most relevant according to what was perceived as the main message of the paper. Table A1 in Appendix 2 presents the complete structured overview of the categories and papers. In Appendix 1, the complete references of the papers are shown.

5 Discussion

Corporate social responsibility is an area which concerns several aspects, such as social, environmental and economic aspects. Many actors, or stakeholders, are involved in and affected by the CSR-activities. These stakeholders can be of different importance to the firm. When dealing with CSR, the ethical aspects of CSR is present on many levels. This makes it challenging for firms and stakeholders and an opportunity to contribute to a sustainable society.

Stakeholder theory

In the papers, several groups of stakeholders have been identified. Quite early in the reading process of the papers, it was recognized that the papers were applying the *Stakeholder theory*. Stakeholder theory is a widespread theory in this area and seems to have gained acceptance in relation to CSR and accounting. Some papers distinctly pointed out which stakeholder group they focused on, e.g. top-managers. In other papers, it was noticeable in the result or discussion section which group they focused on. The papers also use theories, such as legitimacy theory, ethics, and information asymmetry and principal-agent theory, and these theories are discussed adjacent to the relevant papers and categories. In overall, in this study the stakeholder perspective is the most widespread theory. As a base for the stakeholder theory, Donaldson & Preston (1995) is referred to in two of the papers and Freeman (1984) in four papers.

Consumers have become more aware and may in general not be willing to consume products from firms which show unethical behavior (Fuentes-Garcia et. al. 2008). Harder competition and easier access to information can be driving forces for firms to perform CSR activities. There are no legal requirements to take several stakeholders into consideration in the businesses' activities. The surrounding environment can impose on business to do this, as many other businesses have started to do it, thus conforming to isomorphism (DiMaggio & Powell, 1983.) It can be seen as unethical to only take one group, shareholders, into consideration (Donaldson & Preston, 1995). By including several groups of stakeholders, this can thus be seen as a more ethical approach.

After the identification of relevant stakeholders, usually a minor problem, it is a challenge for the firm to deal with the stakeholders (Freeman, 1984). If this is performed in a successful way, it will most certainly lead to legitimacy is achieved for the business and it receives its license to operate (Deegan, 2002), which is an important factor for survival of the firm. The legitimacy could even be compared to a resource, e.g. financial capital, which could facilitate business operations for the firm. The stakeholders and the relationship with them is a crucial factor for the business.

Shareholder theory

As a base for the *Shareholder theory*, Friedman (1970) is frequently referred to, namely in seven of the reviewed papers (see e.g. Lämsä et. al, 2008, Kolodinsky et. al., 2010, Arvidsson, 2010.). Friedman seems to be regarded as the origin of this perspective. Some stakeholders are seen to have greater legitimacy, e.g. shareholders and customers (Lämsä et. al., 2008). The stakeholder theory is predominant, but different stakeholders have different importance, and shareholders are stakeholders that can be important and prioritized.

One cannot focus solely on the shareholders, and more stakeholders should be taken into consideration. One article put forward that one should not only take shareholders into consideration, but also the perspective of stakeholders (non-shareholder perspective) (Moser & Martin, 2012). The shareholder theory and stakeholder theory can be seen to be combined; shareholders are important but one must not forget other stakeholders (Martin & Moser, 2012). Also, this view was found in two more papers. Pedersen (2010) states that “*shareholders are not the only stakeholder who matter*”. Arvidsson (2010) writes “*it is not only shareholders that are put forward as the company’s prime stakeholder*”. Shareholders and stakeholders can be viewed as (more or less) opposites of each other. Shareholders are treated as a stakeholder group in this thesis and formed one category. Shareholder theory is not discussed in opposite to the stakeholder perspective in this thesis. There exists no clear connection between CSR and financial performance (McWilliams & Siegel, 2001). If there were such a connection this would help in the discussion between shareholder and stakeholder (Moser & Martin, 2012). However, the presence of an economic criterion is not justification for CSR activities and results can change in the short and long terms (Swanson, 1995).

Moser & Martin (2012) mean that it is important to understand “*the extent to which the demand for CSR activities is driven by non-shareholder constituents and whether the related disclosures may therefore serve different or broader purposes than other traditional corporate financial disclosures*”. This indicates that with “non-shareholder” could be meant stakeholder and that CSR reporting should not only be compared to financial reporting, but viewed as a complement. Moser & Martin (2012) suggests that “*CSR research in accounting should benefit significantly if accounting researches were more open to the possibility that CSR activities and related disclosures are driven by both shareholders and non-shareholders constituents.*” To take non-shareholder perspective into consideration is a way to “*promote innovative accounting research*” (Evans, 2012).

Ethical aspects are present in two situations. Firstly, the firm has a moral obligation to the shareholders, as the managers work on assignment of the shareholders, as in the principal-agent theory (Jensen & Meckling, 1976). Unethical behavior can be both engaging in CSR activities at the expense of shareholders and earnings management (Moser & Martin, 2012). Secondly, the firm has a moral obligation to several stakeholders and not only shareholders (Donaldson & Preston, 1995). As seen above, several papers put forward that shareholders are not the only important group to take into consideration, but there are many other groups to cooperate and communicate with.

Business students

One important group of stakeholders is *Business students* which are treated in two papers, namely Gordon (2011) and Kolodinsky et.al. (2010). Also, Lämsä et al. (2008) in the category *Men and Women* concerns business students, and the result was divided according to gender. Business students will become the future accountants and business leaders and their education literature were examined to contain relevant texts about the area. Gordon (2011) concludes that the coverage of the topics ethics, professional judgment, governance, fraudulent activities and fraud, scandals and troubled corporations is not large in relation to the number of pages in the books. The sections covering scandals/troublesome corporations increased significantly, but the sections ethics/professional judgment, corporate social responsibility/fraud did not increase significantly over time. More perspectives than just shareholder value is important to introduce to develop the ethical awareness among business students (Gordon, 2011). Kolodinsky et al. (2010) found in their study that a group of students who did not adhere to moral principles also seemed not to believe in the utility of CSR, unless there was a positive

connection between CSR work and performance. Some students are adherents to shareholder value, i.e. that the goal of the business is to increase profit (Friedman, 1970).

There is some delay after scandals and troublesome events in corporations before textbooks are changed. However, ethical aspects can be learned in lectures including internet-based lectures. Ethics can, to some extent, be country or culture specific and the teaching materials would have to be modified to the situation. For business students, guest lecturers who are professionally active can be invited to give their examples from today professional careers. Ethical aspects are requested for business students where tomorrow's leaders and decision makers are found.

According to the stakeholder theory, the business should take several groups into consideration (Donaldson & Preston, 1995). It could be that investors (shareholders) are an important, or the most important stakeholder, for a business. Profit and return on investment is one objective, i.e. the utilitarian approach from an ethical perspective (Swanson, 1995). The shareholders need will be satisfied, which are one group of stakeholders. This is also the instrumental perspective in stakeholder theory which means that there is a relationship between the stakeholders and profitability (Donaldson & Preston, 1995). In education, the students become aware of CSR and this facilitate in the work with disclosure strategies, which is a way to reach legitimacy (Deegan, 2002). In the CSR reporting, the business can find ways to communicate with several groups of stakeholders, reach its license to operate and legitimacy, which is important for the survival in the long run for the business. If students become aware of CSR issues already in education, this will help in their coming professional careers, i.e. how to relate to stakeholder groups, except shareholders, and how to increase legitimacy, e.g. through reporting strategies. Of course, further groups of students than business students, will benefit from education in CSR related issues. For instance, students in engineering, law, medicine, and graduate students can very well reach important positions in businesses and also have a need for knowledge about CSR.

Management

In the category *Management*, Sikka (2011) highlight how corporations use clauses in investment agreements. Sikka calls for more space to human rights, an ethical aspect in management. Sikka also thinks that the area human rights is not included in accounting standards and this is a deficiency in the accounting practices. Arvidsson (2010) examines the views management teams have on CSR communication, which has become more and more in focus, mainly by consequentialism or utilitarianism, meaning that firms do perform CSR activities to avoid scandals. Firms are not principally driven by doing good of their own, i.e. positive duty approach (Swanson, 1995).

Pedersen (2010) presents a model development of managers' perception of business-society responsibilities, i.e. situations and actions in relation to CSR. The managers' perceptions were employers, products and environment. That is, to have decent working environment, and to have an environmental-friendly production process for products and services which are in demand. Issues like poverty, development in the Third world and social exclusion were not included in the managers' perception of responsibilities, however the ambition levels among the managers varied. Cowton (2009) examines the role of the professional body, i.e. accountants and what ethics represents for them and if being ethical pays. He addresses the problem of how to measure and conceptualize ethics and ethical behavior and performance. Alas & Yafel (2008) examines a transition economy, in this case Estonia, were business

focused on fast economic development and social aspects were not taken into consideration. Economic aspects were prioritized before social and environmental aspects.

Jo & Na (2012) conclude that top managers in controversial industries, like tobacco and alcohol, are in general risk averse and their CSR management helps their risk management efforts. The more controversial business, the more the firm will “win” on CSR. If the firm performs CSR activities which reduce risk, this is economically and statistically more significant in a controversial firm compared to a non-controversial firm. This negative connection is presumably from improving risk management, providing market appeal to customers and improved information transparency, corresponding to negative duty approach (Swanson, 1995). The information asymmetry is reduced by increasing levels of transparency and this leads to that perceived firm risk is decreased (Jo & Na, 2012). Increased CSR reporting is one way in reducing information asymmetry (Healy & Palepu, 2001) and by this, firm risk is perceived lower. This is important information for decision makers and for the capital market to function efficiently the information in the disclosures are very important (Healy & Palepu, 2001). The CSR reporting thus have several aims; legitimacy, ground for decision makers and to make capital market function. Relevant CSR reporting influences how risk is treated by the business and thus for the capital market to react to.

Arvidsson (2010) uses two approaches to legitimacy for firms, namely reactive or proactive. The reactive approach is that firms can communicate CSR in reaction to an event/crisis facing the firm. The proactive approach means that the firms’ CSR communication is constructed to prevent legitimacy concerns to arise. In the study of Arvidsson (2010), the respondents, who are investor related managers, emphasize that they take the stakeholders’ needs into consideration, i.e. legitimacy aspects are important to them. In an ethical perspective, this can be related to negative and positive duty approach (Swanson, 1995). The managers obviously are aware of the stakeholders in their environment. The managers can thus be seen to adjust to several stakeholders, as in the negative duty approach. However, to reach legitimacy also positive duty approach is applicable. The managers can choose CSR activities because they are interested in them and motivated to integrate them in the firm, and reach legitimacy even if not pressured from external stakeholder groups. Legitimacy is a cause for change, according to the managers, as in coercive isophormism (DiMaggio & Powell, 1983). Here the pressure is informal, i.e. from the stakeholders.

The papers in this thesis are from the Western world and CSR is an area which highly developed countries and economies can devote resources to. The Third world or fast growing economies most likely will not focus on social and environmental aspects in the development process, at least not during the initial phase.

Employer/Human resource

Fuentes-Garcia et. al. (2008), treat one stakeholder, namely *Employer/Human resource*. Corporate social responsibility is here about the human rights of the workers and policies with the aim to reach a balance between work and life for the employer. Customers are not likely to buy services and products from firms which do not take human rights into consideration for their workers or have child labour. The public opinion is increasingly becoming aware, showing that legitimacy issues are present (Deegan, 2002). Several tools are available to firms to improve their corporate image: code of conducts, UN:s Global compact, OECD guidelines for multinational companies, and social reports as GRI. For stakeholders it can be difficult to control these tools, which is a disadvantage. Codes of conduct are included, which are normative stakeholder theory according to Donaldson & Preston (1995). Also, Arvidsson

(2010) put forward that companies are requesting code of conducts, supporting the normative aspect of the stakeholder theory. Cornelius et. al. (2008) investigate the *internal* social responsibility in small to medium sized firms, which focus on employer management, namely employees' organization, career development and quality of life needs.

From an employer perspective it is important to gain acceptance, i.e. legitimacy, both from external as well as internal stakeholders. The aim of code of conducts is to connect the firms' mission and values with everyday practice (Fuentes-Garcia et. al, 2008). How the staff is integrated or included in the CSR activities may be an important aspect for the process of decision making in the firm (Phillips et al., 2003). Codes of conduct and implementing GRI is an expressions of isomorphism. GRI is widely used in CSR reporting (Borglund et. al., 2012, and www.globalreporting.org) and can correspond to coercive isomorphism as well as mimetic isomorphism (DiMaggio & Powell, 1983). If the use of GRI and code of conducts are above all a mean to reach legitimacy, it is coercive isomorphism. There are no legal requirements, i.e. formal pressure, to use GRI and code of conducts. Instead, the pressure comes from external and internal stakeholders. As many firms use GRI and code of conducts it is more or less a requirement for all firms to use it. Some companies start out to copy other firms' behavior and use of guidelines, to adjust in a changing environment, and this is mimetic isomorphism (DiMaggio & Powell, 1983).

Men and Women

Three papers (Lämsä et. al., 2008, MacPhail & Bowles, 2009, and Stoll, 2008) study the differences between gender in the category *Men and Women*. Individuals are stakeholders and can be divided according to their sex. MacPhail & Bowles (2009) examine how employer support for employee voluntary activity is distributed between employed men and women. Lämsä et al. (2008) examine attitudes of male and female students concerning responsibilities of business in society. Stoll (2008) study objections to corporate responsibility made in journals and compare the criticism to criticism against feminism. These papers have a pronounced gender perspective and they were all written by women, or the main author was a woman. Two of the papers (Lämsä et al., 2008, MacPhail & Bowles, 2009) have gender as keyword. This stakeholder group was the easiest to identify in the categorization process.

This category can be an example of a changing environment. Norms and values change during the years and what is considered as an appropriate approach can change (Islam & Deegan, 2007). Earlier individuals and citizens were treated as one group. More recently, gender perspective has become spread. In this sample, three of the 20 papers were outspoken gender oriented. It can only be expected that this gender approach in CSR and accounting most likely will produce further research. It is clear that CSR and accounting has to do with values. Corporate social responsibility can contain parts that address women to a larger extent than men. Here, gender researches have a challenge to investigate why this pattern is pronounced.

General

The papers in the category *General* have a stakeholder perspective, but do not make difference between groups of stakeholders. One paper which addresses stakeholders in general is Argandoña & Hoivik (2009). They emphasize that "...CSR...need the continous interaction and dialog between the firm and its stakeholders" and "CSR will be the result of a dialog between the firm and its stakeholders about the obligations of the first and the expectations of the second". Argandoña & Hoivik highlight interaction and dialog. This is a distinct example of striving for legitimacy and license to operate. With a continuing dialog,

the firm can be made aware of changes in the environment and adjust its CSR work to reach legitimacy among stakeholders (Deegan, 2002). The first thing is to find out what stakeholder groups are present in the firms environment (Freeman, 1984). After that strategies how to interact with the stakeholders is decided. Need the stakeholder groups be prioritized or are all equally important? Will their importance change over time? Is one channel enough for communication with the stakeholder groups or is it important with adjustment to different groups? The content of CSR is cultural dependant and a global standard is seen to be unlikely, according to Argandoña & Hoivik (2009).

Preuss & Perschke (2010) compares CSR in small and medium-sized enterprises (SMEs) to large enterprises. Medium-sized enterprises are between small and large companies. The company in their study was a fashion retailer, which was particularly open to interaction with external stakeholders. Factors which often characterize small firms are abandoned, like locally establishment. The company is starting to address aspects characterized for large firms, like labour standards. This can be code of conduct which is an expression of normative stakeholder theory (Donaldson & Preston, 1995). The medium sized companies, which are growing, start to behave like large companies, and this can be compared with mimetic isophormism. They notice what large companies focus on and copy their activities. (DiMaggio & Powell, 1983). When firms are growing agency problem arise (Preuss & Perschke, 2010). A medium sized firm will often need outside funding as it grows and this leads to that ownership and management is separated. If the owner also is manager, and the owner sells shares in the firm to gain capital for activities, this could influence the relation between the manager and external shareholders. The manager now bears a minor part of the costs in increasing his/her utility. Future shareholders will be aware of that the interest of the owner can be different from their own. This is shown in the price they will pay for a share (Jensen & Meckling, 1976, Preuss & Perschke, 2010). Managers may prioritize themselves in the running of companies and not create value for shareholders (Lazonick & O'Sullivan, 2000).

Hong & Andersen (2011) "*find evidence that firms which engage in CSR are less likely to manage earning*". "The firms show a more ethical behavior. Hong & Andersen have focus on the communication process and investigate the relationships between quality of financial reporting and CSR. In the communication process the ethical perspective is important. They also point out that some shareholders, i.e. investors, may have CSR in mind when making decisions about investing. This means that CSR can attract investors. The principal agent theory implies that managers act on assignment of stakeholders (Jensen & Meckling, 1976). If the stakeholders are interested in CSR, these activities are important. Also, shareholders can value CSR activities in their investment decisions. The CSR reporting is important for decision makers and for the capital market to function (Healy & Palepu, 2001). Via their CSR-reporting, firms can reduce the information asymmetry between the firm and investors, and hopefully attract investors.

Rama et al. (2009) take into consideration the short and long terms aspects of CSR activities, i.e the time dimension. Firms can perform CSR issues in programs in the long term and also activities in the short term. The short term can correspond to the utilitarian philosophical approach (Swanson, 1995). The firm recognizes that CSR activities attract investors or keep current investors. Also, competitors and other firms in their industry perform CSR activities and as a sign of isomorphism, the company also perform the CSR activities (DiMaggio & Powell, 1983). To have CSR programs in the long run demands working with central core values in the firm. This will more likely result in thorough motivation in the firm to carry out

CSR activities, which correspond to the positive duty approach (Swanson, 1995). Over time, socially responsible activities are identified and performed, also including more stakeholders.

Chen et al. (2008) examine if corporate charitable contributions should be seen as corporate social performance or as actions for legitimization. They conclude that the goal for charitable actions appear to be legitimization. Charitable contributions seem to be a way to improve the positive image of the firm, i.e. to satisfy stakeholders. This is in line with the negative duty approach (Swanson, 1995). The firm take actions, here charitable contributions, to meet external pressure from stakeholders. Societal expectations change over time and the firm adjust, with a time lag, to the expectations (Islam & Deegan, 2007).

Distribution of years for the result in BSP (n=70)

As shown in the Result, the largest parts of the papers were published in 2005, 2008 and 2009. Over the ten years 2002-2012, it was not possible to discern an evenly increasing pattern of publications. However, the subject of the database search is corporate social responsibility *and* accounting, which not necessarily results in an increasing linear pattern of publication. As there are time lags between significant events and publication of papers, there might be events in the years of 2005-2006, which explains the large amount of publications in 2008-2009. Such events can be firms involved in doubtful management. The firm Enron in the U.S. went bankrupt in 2001, followed by the fall of Worldcom in 2002, and both firms are connected with accounting scandals. In 2008, Lehman Brothers, a troubled company, went bankrupt. These scandals are mentioned in some of the papers and can be causes for the increase of publication in some years.

6 Conclusions

The aim of this thesis was to provide a structured overview of the literature in the area of corporate social responsibility and accounting regarding the years 2002-2012. Furthermore, the overview will provide a basis for future research and constitute a framework for focused research question. The research question is to investigate what research has been performed in the area of corporate social responsibility and accounting.

All 20 studied papers could be seen to treat stakeholder theory. Some had the stakeholder theory as a basis for their research, one paper did not mention the word stakeholder, but the result clearly focused on one stakeholder group. The focus of this study is recently performed research and the 20 included papers cover the years 2008-2012. The sample in this thesis shows that stakeholder theory has gained large acceptance in the area of corporate social responsibility and accounting.

By focusing on the stakeholder groups which are dealt with in the papers, the following categories were formed: *Shareholder theory*, *Business students*, *Management*, *Employer/Human resource*, *Men and Women*, and *General*. The structured overview is shown in Table A1. To extend the literature with a larger amount of papers could give further support to the categories found in this thesis, and also result in more categories. Aspects on future research are in several categories and treated in next section (see below).

There is obviously debate about the position of shareholders. The shareholder perspective is challenged by the stakeholder perspective, where several actors are present in the firms' context. The stakeholders are affected by the firm but also affect the firm. Some of these can be more important and it can differ among industries and firms and during time which stakeholders are most significant. From the papers in this study it can be concluded that few, if any, view shareholders as the only important stakeholder, but emphasize the existence of several stakeholder groups. The shareholder is a stakeholder among others.

One important group of stakeholders is business students. These were treated in two papers, or three if one of the papers in the group Men and Women are included. This group can be regarded with extra interest as many of tomorrows decision makers constitute this group. However, also engineering students and other students would benefit from getting in touch with the area corporate social responsibility and accounting for their future professional life. Also, managers active today could benefit from CSR and accounting in leadership courses.

Ethical issues are raised in several situations in CSR and accounting. Companies relate to several stakeholders in varying degrees and its activities influence everyday life of several groups or organizations. In short term, shareholder needs may be prioritized to meet. In long term, stakeholders', e.g. environmental organizations, interest can be crucial to react on to remain in the industry. The company can behave in different ways to achieve this and awareness of ethical aspects is needed.

6.1 Future research

Future research can be performed in several areas. One paper in the sample discussed the media (Arvidsson, 2010) and one paper focused on the communication process (Hong & Andersen, 2011). As new information channels grow, e.g. social media, like facebook, twitter, etcetera, it can be expected that this area will attract researchers in the near future. These new media channels work very fast compared to traditional media channels, like television and newspapers. Different firms are more or less prepared to handle stakeholders via these channels. Aspects to study can be how this will affect legitimacy, ethical behavior and information asymmetry between the firm and stakeholders.

It is clear that CSR and accounting has to do with values. Corporate social responsibility can contain parts that address women to a larger extent than men. Here, gender researchers have a challenge to investigate why this pattern is pronounced. An overview of the area is the first step in identification of further question. Additional literature reviews can establish how the area gender, CSR and accounting is shaped and if there are differences in adherents to stakeholder theory and shareholder theory in relation to gender. Further questions are why the area is pronounced and, if in some special groups (women) as CSR has gained increased interest the last 10-20 year, and how to reach and increase awareness among today decision makers, both men and women.

There is no sign of a change of preferred theory usage during the years of the reviewed papers (n=20). The sample is not a very large one and if more papers were included it would provide an overview over more years and perhaps changes would be able to discern. The 20 papers cover 2008-2012, which can be compared to a cross-sectional study. In a future study, it would be interesting to cover more years in a literature review and possibly see if there is a change of paradigm in terms of the theories.

Focus on Business students formed a category. In today firms managers can be former business students, but also former students from other backgrounds, e.g., engineering, law, medicine, and graduate students, have a need for CSR knowledge. This means that education in several areas, not only business, is important to reach understanding of CSR related issues. It is also important to investigate how to educate those who are managers and decision makers today in firms and on several levels in the firms to gain an anchoring of CSR.

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2012

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2010

Kolodinsky, R., Madden, T., Zisk, D., & Henkel, E. (2010). Attitudes About Corporate Social Responsibility: Business Student Predictors. *Journal of Business Ethics*, 91(2). pp. 167-181.

Arvidsson, S. (2010). Communication of Corporate Social Responsibility: A Study of the Views of Management Teams in Large Companies. *Journal of Business Ethics*. 96(3). pp. 339-354.

Pedersen, E. (2010). Modelling CSR: How Managers Understand the Responsibilities of Business Towards Society, *Journal of Business Ethics*. 91(2). pp. 155-166.

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Cornelius, N., Todres, M., Janjuha-Jivraj, S., Woods, A., & Wallace, J. (2008). Corporate Social Responsibility and the Social Enterprise. *Journal of Business Ethics*, 81(2). pp. 355-370.

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Appendix 2. Structured overview of the papers.

Table A1: Structured overview of papers in categories, n=20.

Authors, Year & Country & Category	Research issue	Method	Major findings
Shareholder theory			
Evans, 2012, U.S.	Forum on corporate social responsibility in accounting.	Discussion (Introduction to a journal.)	To consider non-shareholder maximizing behavior is a way to promote innovative accounting research.
Moser & Martin, U.S.	Are CSR activities driven by non-shareholder actors and does CSR disclosures serve broader purposes than traditional disclosures.	Literature study and experiment.	CSR activities and disclosures are driven by share- and stakeholders. Controlled experiment data can complement archival data.
Business students			
Gordon, 2011, Canada	Examines a sample of three editions of 19 financial accounting and auditing text books (n=57) to explore the state of accounting educational content through the coverage of five key topics (ethics, professional judgement, governance, corporate social responsibility, and fraud).	Descriptive, book review of key concepts.	1) Topic coverage exist but page coverage low, 2) page coverage increase between editions, 3) US text books contained more pages compared to Canadian, 4) auditing texts contained more pages compared to other financial accounting texts.
Kolodinsky, Madden, Zisk, Henkel, 2010, U.S.	Tries to understand some of the factors that may predict whether or not business students embrace the notion that businesses have social responsibilities. Specifically ethical attitudes, materialistic values, and spirituality.	Online surveys to 298 students taking a required undergraduate course at a large southeastern US university. Sample comprised 51% male, 49% female.	Ethical idealism had a positive relationship with CSR attitudes, and ethical relativism a negative relationship. Also, materialism was negatively related to CSR attitudes. Spirituality among business students did not significantly predict CSR attitudes.

Management			
Sikka, 2011, UK	Will encourage debate about corporate power and human rights. Illustrates stabilization clauses, i.e. investment agreement, between transnational petroleum countries and the governments of Chad and Cameroon.	Theoretical.	Human rights do not receive consideration in accounting and auditing standards. Requests production of (counter) accounts to break the domination of corporations and create space for human rights.
Jo & Na, 2012, U.S.	Examine the relationship between controversial industry firms' CSR engagement and firm risk in the US.	2710 firm-year observations from 514 firms in controversial industries during 1991-2010, 8.53% engage in sinful industries such as alcohol, tobacco, and gambling.	Firm risk is significantly and negatively related to CSR engagement in controversial firms after controlling for firm characteristics. The risk-reduction effect is more substantial in controversial industry firms than in non-controversial firms.
Arvidsson, 2010, Sweden	The aim is to analyse the views management teams in large listed companies have on corporate communication of information on CSR. Focus on interest, motives/reasons, users and problems.	Questionnaire study, 18 of 27 Investor Related Managers (IRM) answered. Semi-structured interview at the largest companies listed on the Stockholm Stock Exchange.	A distinct trend shift towards more focus on CSR in corporate communication. Increase the regulatory and judicial systems in the CSR context and increase institutional pressure to enhance CSR adoption and communication.
Pedersen 2010, Denmark	Develop a practitioner-based model of how managers in 8 international firms perceive the responsibilities of business towards society.	Based on Web survey, responses > 1000, carried out in 8 anonymised firms head-quartered in Europe and North America. Conclusions based on a qualitative analysis of an open-ended question in the survey.	The managerial perceptions of societal responsibilities differ in some respects from the mainstream models found in the CSR and business ethics literature. Development of practitioner-based model of societal responsibilities.
Cowton, 2009, UK	Does being ethical pay? Are codes of ethics an effective means of promoting ethical behavior?	Based on a lecture. Discussion, literature references.	Propose three models of the professional body and contend for a renewed notion of membership if professional bodies are to function as effective "moral communities".
Alas & Tafel, 2008, Estonia	The awareness of corporate social responsibility among Estonian owners and managers.	In-depth interviews with owners and top managers n=26.	In transition economies like Estonia the focus is on economic development where the social side will be left in the background and economic development will take place at the expense of social and environmental development.

Employer/HR			
Fuentes-García, Núñez-Tabales & Veroz-Herradón, 2008, Spain	Analyse the concept of CSR in relation to Human Resources (HR) Management	Advantages and disadvantages of five tools: codes of conduct, declaration/standard (UN Global Compact, OECD guidelines for multinational companies), social reports, GRI, are discussed and the SA8000 Standard is studied.	It is crucial to raise awareness about CSR tools among the main parties involved and to promote participation in its application.
Cornelius, Todres, Janjuha-Jivraj, Woods & Wallace, 2008, UK	What frameworks might social enterprises employ to ensure that attention is paid to internal CSR, especially concerning employees' organization and career development and quality of life needs?	Discussion.	The article contend that the capabilities approach offers additional insights into CSR in social enterprises in general and internal CSR activity in particular
Men and Women			
MacPhail & Bowles, 2009, Canada	The impacts of employer support on the total number of hours volunteered and on the voluntary activities which are undertaken. Distribution of employer support between male and female employees.	Data from Statistics Canada, n=6333. Employer survey designed by the researches (mail and web based) n=123. In-depth interviews with 15 respondents of the survey.	Employer support is associated with a greater amount of volunteer activity by both men and women employees and in a wide range of voluntary activities. Women are less likely to receive employer support than men and are less likely to receive support like flexible work hours and time-off.
Stoll, 2008, U.S.	Examination of a number of objections to CSR, published in e.g. Economist issue January 2005.	Discussion. Based on feminist perspective and examine the similarities between backlash against the movement for corporate accountability as compared to backlash against feminists.	The critique is largely ill founded, but their increasing frequency in popular media is a cause for concern.
Lämsä, Vehkaperä, Puttonen & Pesonen, 2008, Finland	How do business students define a well-run company? What are their attitudes toward the responsibilities of business in society? Do the attitudes of women students differ from those of men? How does business education influence these attitudes?	Sample n=217 business students pursuing their master's degree in business at two Finnish universities.	Students valued the stakeholder model more than the shareholder model and women were more in favor of it than men and placed more weight on corporate ethical, environmental, and societal responsibilities than men, i.e. no gender socialization effect of business school education could be observed.

General			
Hong & Andersen, 2011, U.S.	Examine the communication process by investigating the potential relationship between corporate social responsibility and the quality of their financial reporting.	Exploratory study. Index: KLD data. Sample consists of non-financial US firms from the time-period 1995-2005.	Results show that more socially responsible firms have higher quality accruals and less activity-based earnings management, both of which impact financial reporting quality.
Preuss & Perschke, 2010, UK	What differences there are in approaches to CSR within the Small medium Enterprises (SMEs).	Semi-structured interviews with four senior managers in one company, questionnaire to customers n=200 received and employees n=66.	Medium-sized firms occupy a transition stage where some CSR features that are reminiscent of small enterprises are still important but get overlaid with aspects that are more typical of large companies.
Rama, Milano, Salas, Liu, 2009, U.S.	Examines capacity development for collective action and institutional change through the implementation of CSR initiatives.	Integrate Hargrave and Van de Ven's Collective Action Model with capacity development literature to develop a framework.	Use the framework to provide prescriptive evidence of two implementations: 1) The PhD-project, to increase the diversity of business school faculty, 2) Involve, a community involvement program at KPMG.
Argandoña & Hoivik, 2009, Spain	Purposes: 1) An introduction to the collection of papers in the issue. 2) Gives background to the project. 3) Presents the main hypotheses of the project and their justification.	Discussion.	Hypothesis 1: CSR is an ethical concept. Hypothesis 2: the demands for socially responsible actions have been around since before the Industrial Revolution and the content of CSR has evolved over time. Hypothesis 3: One global standard for CSR is unlikely.
Chen, Patten & Roberts, 2008, US	The objective was to empirically test whether corporate charitable contributions are better understood as an indicator of corporate social performance or as corporate legitimization actions.	Based on a sample of n=384 US companies, data pooled from 1998-2000.	The results show that on average, charitable contributions appear to be used by corporations as a tool of legitimization.