



ELSEVIER

Contents lists available at ScienceDirect

Journal of Accounting Literature

journal homepage: www.elsevier.com/locate/acclit



Corporate social responsibility research in accounting



Xiaobei “Beryl” Huang^a, Luke Watson^{b,*}

^aUniversity of International Business and Economics, Beijing, China

^bFisher School of Accounting, Warrington College of Business Administration, University of Florida, PO Box 117166, Gainesville, FL 32608, United States

ARTICLE INFO

Article history:

Received 4 March 2015

Accepted 5 March 2015

Available online 14 March 2015

Keywords:

Corporate social responsibility

Sustainability

Environmental

Disclosure

Assurance

ABSTRACT

We review research on corporate social responsibility (CSR) published in 13 top accounting journals over the last decade. We begin with a brief discussion of the data that archival researchers have used to measure CSR. Next, we conduct our review in four parts: (1) determinants of CSR; (2) the relation between CSR and financial performance; (3) consequences of CSR; and (4) the roles of CSR disclosure and assurance. We summarize the accounting literature in these areas and comment on how accounting researchers can use their skill sets with regard to specific issues. Within each area, we present some suggestions for future CSR research in accounting.

© 2015 University of Florida, Fisher School of Accounting. Published by Elsevier Ltd. All rights reserved.

1. Introduction

Recently, the academic community has taken great interest in research on corporate social responsibility (CSR). A significant body of evidence across business research disciplines examines questions such as which types of firms engage in CSR, and how CSR shapes firm decisions and outcomes. Yet to our knowledge there is no recent, broad review of CSR research published in the

* Corresponding author. Tel.: +1 3522730208.

E-mail addresses: hberyl@163.com (X.&. Huang), luke.watson@warrington.ufl.edu (L. Watson).

preeminent accounting journals, despite the fact that corporate social responsibility has recently risen substantially in prominence within accounting research.¹ In this paper we review recent corporate social responsibility research in accounting, focusing on studies published in 13 top accounting journals.²

We define corporate social responsibility as firms' efforts to surpass compliance by voluntarily engaging in "actions that appear to further some social good, beyond the interests of the firm and that which is required by law" (McWilliams & Siegel, 2001, 2006). This means incorporating economic, legal, ethical, and philanthropic responsibilities into corporate decision making (Carroll, 1979), and it represents a potential departure from shareholder theory, in which firms strive to maximize shareholder wealth within legal constraints and basic social norms (Friedman, 1970). Shareholder theory has been a dominant assumption throughout research in economics, finance, and accounting. Corporate social responsibility is intriguing because it suggests that firms are motivated to make decisions that are not always obviously shareholder-wealth-maximizing. Under the stakeholder theory suggested by some CSR scholars, firms strike a balance between shareholder interests and the interests of other stakeholders (Carroll, 1991).³ This tension generates important questions that accounting researchers have a voice in answering.

Corporate social responsibility is closely related to corporate sustainability. KPMG (2013) reports that 14% of the world's largest 100 firms use the term "corporate responsibility," 25% of firms use "corporate social responsibility," and 43% of firms use "sustainability." However, in the articles included in this review, "corporate social responsibility" is the predominant nomenclature and we use it throughout this paper.⁴ We also mention environmental research where we feel such research contributes to the overall CSR literature, as attention to the environment is one element of CSR. Other elements of CSR include community relations, controversial industry/product involvement, corporate governance, diversity, employee relations, human rights, and product-related issues. From this list it should be clear that CSR includes a broad spectrum of activities that can affect a wide range of stakeholders positively or negatively. This expansive definition gives rise to measurement issues that make some CSR questions challenging, an issue we discuss in greater detail in the body of this paper.

Integrated reporting (IR) is another CSR-related concept that is rising in popularity, particularly given the Johannesburg Stock Exchange's IR mandate. An integrated report "is a concise communication about how an organization's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value over the short, medium, and long term" (IIRC, 2013). Scholars have suggested that CSR reporting may evolve into IR (Adams & Simnett, 2011). While no published studies of IR met our search criteria (discussed in the next paragraph), Volume 27, Issue 7 of the *Accounting, Auditing & Accountability Journal* was dedicated to IR and contained a review of the IR literature (de Villiers, Rinaldi, & Unerman, 2014). We avoid overlapping with their review, but emphasize that IR remains an area of opportunity for accounting researchers.

An important limitation to this review is that we have focused on studies published in the last decade in 13 prominent accounting journals. We identified 47 original research papers that fit these criteria, listed by research methodology, topic, journal, and year in Table 1. While the topical breakdowns are subject to judgment, the plurality of CSR research in accounting is on financial accounting-related issues. Meanwhile, there are several studies of auditing, managerial, and tax-related issues. Of the 13 journals we searched, the most prolific outlets for CSR research have been *Accounting, Organizations and Society*, *Auditing: A Journal of Practice & Theory*, *Journal of Accounting and Public Policy*, *Management Accounting Research*, and *The Accounting Review*. We also direct our readers to the following four articles that review CSR research in different scopes and attempt to avoid

¹ Scholars in other fields have published broad reviews of CSR research (i.e. Aguinis and Glavas, 2012). While not intended to be a review piece, Moser and Martin (2012) provide useful discussion and commentary on some CSR research in accounting. Similarly, Ramanna (2013) proposes a helpful framework for CSR research in accounting.

² The journals include *Accounting, Organizations and Society*; *Auditing: A Journal of Practice & Theory*; *Behavioral Research in Accounting*; *Contemporary Accounting Research*; *Journal of Accounting and Economics*; *Journal of Accounting Literature*; *Journal of Accounting and Public Policy*; *Journal of Accounting Research*; *Journal of the American Taxation Association*; *Journal of Management Accounting Research*; *Management Accounting Research*; *Review of Accounting Studies*; and *The Accounting Review*.

³ Entire papers are devoted to CSR theory, e.g. McWilliams and Siegel (2001, 2006).

⁴ van Marrewijk (2003) discusses proposed distinctions between CSR and corporate sustainability.

Download English Version:

<https://daneshyari.com/en/article/1005703>

Download Persian Version:

<https://daneshyari.com/article/1005703>

[Daneshyari.com](https://daneshyari.com)