

Dumitru, Valentin; Ionescu, Iuliana; Calu, Adriana; Oancea, Mirela

## Article

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Amfiteatru Economic Journal

## Provided in Cooperation with:

The Bucharest University of Economic Studies

*Suggested Citation:* Dumitru, Valentin; Ionescu, Iuliana; Calu, Adriana; Oancea, Mirela (2011) : An Investigation Regarding the Disclosure of Corporate Social Responsibility Information for Listed Companies from Romania, Amfiteatru Economic Journal, ISSN 2247-9104, The Bucharest University of Economic Studies, Bucharest, Vol. 13, Iss. 29, pp. 146-161

This Version is available at:

<https://hdl.handle.net/10419/168712>

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## AN INVESTIGATION REGARDING THE DISCLOSURE OF CORPORATE SOCIAL RESPONSIBILITY INFORMATION FOR LISTED COMPANIES FROM ROMANIA

Valentin Dumitru<sup>1\*</sup>, Iuliana Ionescu<sup>2</sup> Adriana Calu<sup>3</sup> and Mirela Oancea<sup>4</sup>

<sup>1) 2) 4)</sup> *The Bucharest Academy of Economic Studies, Romania*

<sup>3)</sup> *University of Bucharest, Romania*

### Abstract

The purpose of this research was to establish the degree of transparency concerning the communication of the information regarding the corporate social responsibility by the Romanian companies listed. The study used as a sample the listed companies in the first part of the Bucharest Stock Exchange. Considering the fact that in Romania there is no mandatory reporting of such information, we examined the extent to which public companies in Romania have, voluntarily, on their sites, such disclosures. As a research framework we used the model proposed by Dahlsrud (2008). According to this model, CSR-type information can be classified into five dimensions: the environmental dimension, social dimension, economic dimension, the „stakeholders” dimension and voluntary dimension. After conducting site investigation we made a classification of their degree of transparency (dependent variable). For this variable we tested the association with the type of ownership and activity (independent variables).

**Keywords:** Corporate Social Responsibility, CSR dimensions, transparency of CSR, analyses of Romanian companies sites concerning CSR

**JEL classification:** Q56

### Introduction

Corporate Social Responsibility concept is used by businesses worldwide and is the approach used to rethink the activities of enterprises from the perspective of sustainable development. Valences that can take on CSR depend on both political influences, but also socio-cultural influences, which vary by geographic area. According to the opinion expressed by Madurasinghe (2006), “traditionally in the United States, CSR has been defined much more in terms of a philanthropic model (...). The European model is much

\* Corresponding author, **Valentin Dumitru** – valentin.dumitru@soft-expert.info

This work was supported by CNCIS – UEFISCSU, project number ID 1779 Romania facing a new challenge: accessing the structural funds for the sustainable development in agriculture. The convergence of financial reporting of the native entities with the European realities, PNII – IDEI code/2008.

more focused on operating the core business in a socially responsible way, complemented by investment in communities for solid business case reasons". Another approach is the one specific to the countries in Asia<sup>1</sup>. The dynamism and heterogeneity of countries in this region on the concept of CSR, brought together experts from South Korea, China and Japan. In accordance with an article published in the South Korean newspaper "The Hankyoreh", experts have worked together on a new assessment model of CSR's based on international standards, plus the different regional particularities of Western reporting.

Shaping the CSR's image in Romania, which is actually in an early stage<sup>2</sup>, comprises a series of steps identified by the analysis of specific studies related to the field in question.

A first step is to demarcate the boundaries identified by us. Thus, given the partial information presented in CSR reporting in Romania, an empirical study was conducted to describe the degree in which instruments that enhance transparency and credibility in CSR are used by companies of the country in question. The questionnaire included both providing answers and express opinions of managers of companies in Romania. (Oancea and Diaconu, 2007).

In the report *CSR and Competitiveness European SMEs' Good Practice National Report Romania, 2007* are identified the main causes of the CSR appearance in Romania. "First of all, the economic development and the entrance of the multinational companies on the Romanian market have determined a type of pressure to identify new ways of consolidating the corporate image and reputation. These issues determined more and more sophisticated strategies while the consumer educated himself and learnt to make appropriate choices. Second, the withdraw from the market of the big donators and the decrease of the financial resources belonging to international organizations determines another type of pressure, on the part of the non-profit organizations that diversify their strategies with regard to attracting finance from sources like: public and business sector or citizens".

A second research concerning the causes of the appearance of the CSR reporting in Romania was achieved by Stancu and Olteanu (2008). They support the following opinion:

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<sup>1</sup> In China we have seen much interest from the government which has developed a number of guidelines and initiatives around CSR. In Malaysia we have seen significant leadership on CSR issues from stock exchanges. In Vietnam, we are seeing leadership from the Chamber of Commerce working in partnership with the United Nations Development Programme. Japanese companies, in particular, have been leaders on environmental initiatives. A huge number of voluntary initiatives are apparent when one considers CSR in India. Bangladesh has introduced tax exemptions for companies engaging in CSR programmes and in Sri Lanka there has been an emphasis on CSR in small enterprises and linking CSR initiatives to peace in the country. There is still a huge confusion between CSR and philanthropy which is probably best exemplified by many of the business practices in the Philippines. In Pakistan, research has shown a very poor understanding of CSR in the private sector. In Indonesia, highly controversial laws covering CSR have been enacted and are now being opposed by businesses who accuse the government of merely introducing a social tax.

<sup>2</sup> In an interview published by Oancea and Diaconu (2010), are required the opinions of two German experts in corporate social responsibility (Thomas Loew and Andreas Steinert), on the stage is this type of reporting in several countries, including Romania. Thus, at the time of interview, March 2007, Loew considers that he has information on CSR practices in Romania. The second interviewee is of the opinion that there were few respondents in Romania and Eastern Europe. German expert Steinert's explanation is as follows „this is due to the early stage of development of communication structures of the companies in the region”.

„multinational companies are the ones that set the trend in this field, because of their corporate culture. But, even so, few companies publish CSR reports or include in their annual report their CSR activity. Companies use CSR as a tactical instrument, and this is the reason that most of CSR projects in Romania are on short term. Mass media and Ngo's are not very active in promoting the CSR concept. At the governmental level the CSR strategy is mostly imported from the EU”.

The second step identified by us in the literature is to establish trends. A study of CSR image of the Carpathian region (Carpathian Foundation, 2007) revealed two potential trends of the concept of CSR in Romania. At a national level, CSR practice follows a clear positive trend. Companies and NGOs are the main actors that activate in this field, with little involvement of government and mass media sectors. The findings of this study concern the fact that the perspectives on the evolution of the concept of CSR in Romania defines opposite trends, positive trends, similar to the countries in the Carpathian area or a less optimistic one. Putting in action one of the two scenarios depends on changing the perception of decision makers, a better understanding of the Tax Code and implicitly the use of tax incentives by companies, but also the degree of alignment of companies with Romanian shareholders to the EU market standards.

A final stage, representing specific aspects, is captured in depth by summarizing information published in the companies in Romania on the type of CSR practices. This stage is developed throughout the paper.

In order not to think in terms of „cosmetic” or „image benefits” when we refer to CSR policy practiced by firms in Romania, given that there is no legislative framework at national level, we believe that there is a tendency to „take” CSR policy, as multinational companies are leaders in the field. This „taking over” requires credibility not only implemented by the company's strategy and objectives, but also by the degree of pollution figures and progress made from year to year. However, most companies in Romania are only transparent in relation to the first two dimensions: strategy and objectives, and they do not publish information in figures.

While the international approach to CSR is related to politico-cultural environment of a region (Visser et al, 2007), when the appeal is made to the definition of CSR a number of common elements can be mentioned. We considered representative in this analysis the model proposed by Dahlsrud (2008), which considers that the type of CSR information can be incorporated into five dimensions: the environmental dimension, social dimension, economic dimension, „stakeholders” dimension and voluntary dimension. In that sense, this model has been used by authors as a framework of research.

## **1. Research conceptual framework**

The conceptual framework of our research is that proposed by Dahlsrud (2008). He conducted a study based on 37 CSR definitions identified by the search engine Google. After their comparative analysis, five dimensions were identified. (Table no. 1)

Table no. 1: The five dimensions of the CSR

| Dimensions                  | The definition is coded to the dimension it refers to  | Example phrases   |
|-----------------------------|--|---|
| The environmental dimension | The natural environment  | „a cleaner environment”<br>„environmental stewardship”<br>„environmental concerns in business operations”   |
| The social dimension        | The relationship between business and society  | „contribute to a better society”<br>„integrate social concerns in their business operations”<br>„consider the full scope of their impact on communities”                    |
| The economic dimension      | Socio-economic or financial aspects, including describing CSR in terms of a business operation | „contribute to economic development”<br>„preserving the profitability”<br>„business operations”   |
| The stakeholder dimension   | Stakeholders or stakeholders groups  | „interaction with their stakeholders”<br>„how organizations interact with their employees, suppliers, customers and communities”<br>„treating the stakeholders of the firm” |
| The voluntariness dimension | Actions not prescribed by law  | „based in ethical values”<br>„beyond legal obligations”<br>„voluntary”  |

Source: Dahlsrud, A., 2008. How Corporate Social Responsibility is Defined: an Analysis of 37 Definitions Corporate Social Responsibility and Environmental Management. *Corp. Soc. Responsib. Environ. Mgmt.*, Issue 15, pp. 1–13.

## 2. Research methodology and hypotheses

Specifically, the objective of this study was to identify the existence or non-existence of spreading concerns of the actions of „social responsibility” for the listed companies in Romania and how they fit into one or more of the dimensions described above. The methodology used was of mixed type (quantitative and qualitative). In this regard, we have chosen as the study sample firms listed in the first echelon of the Bucharest Stock Exchange. To collect the necessary information websites of listed companies in Romania included in the first echelon of the Bucharest Stock Exchange were analyzed. Variables used were as follows (Table no. 2):

Table no. 2: Variables types

| Variables  |                     | Variables types      | Categories | Category's description       |
|------------|---------------------|----------------------|------------|------------------------------|
| Variable 1 | Transparency degree | Dependent variable   | A          | Small transparency           |
|            |                     |                      | B          | Big transparency             |
| Variable 2 | Type of ownership   | Independent variable | S          | Mostly foreign stakeholders  |
|            |                     |                      | R          | Mostly Romanian stakeholders |
| Variable 3 | Activity domain     | Independent variable | SF         | Financial activities         |
|            |                     |                      | NF         | Non financial activities     |

The dependent variable „degree of transparency” is the result of adding the information presented on the websites of companies, from the subdivision in five dimensions, achieved in this research. A detail of it is done in Table 3 on customizing the research variables.

After gathering information, data were processed using computer software. To verify possible correlations we used chi-square test ( $\chi^2$ ). It tests the null hypothesis. A null hypothesis assumes that the two criteria of classification are independent. If two classification criteria are not independent, then there is an association between them. The standard of a significant probability is  $p = 0.05$ . P value level is a decreasing index of the result's safety. When the p level is higher it is more unlikely for the observed relationship between variables in the sample to be a reliable indicator of the relationship between these variables in the population studied. In short, if the  $\chi^2$  is greater than or equal to critical  $\chi^2$  (0.05), the null hypothesis ( $H_0$ ) is rejected and I hypothesis that posits the opposite of the null hypothesis is supported.

Our research hypotheses were as follows:

*H10: There is no correlation between the degree of transparency of CSR disclosure on the web sites and the type of shareholders of the companies*

*H11: There is a correlation between the degree of transparency of CSR disclosure on the web sites and the type of shareholders of the companies*

*H120: There is no correlation between the degree of transparency of CSR disclosure on the web sites and the activity of the companies*

*H12: There is a correlation between the degree of transparency of CSR disclosure on the web sites and the activity of the companies*

### **3. Research results**

The first part of the research was qualitative, highlighting the particular presentation of information by each company. These were further grouped according to the conceptual framework proposed by Dalsrud (2008). Making this classification, it generated some exclusions or merges of information, since in some cases the idea was presented in a general way, being difficult to group. After grouping information within the five dimensions was observed that one of the actors is found in stakeholders and the investors / shareholders factor becomes redundant by joining with the economic dimension. According to this, we included the section of investors / shareholders in the economic size of an objective notion of CSR in practice. Another difficult aspect was the information separation between social and voluntariness dimension (humanitarian actions). To simplify the separation of information, we used as a landmark the following segregation. In the social dimension we employed the following activities: sports, community development (places of worship, schools, kindergartens), education, arts and culture, health (hospitals). An example is the financial aid offered for natural disasters or people with disabilities. Summary of the classification of information is presented in table no. 3.

Table no. 3: CSR dimensions at the level of the listed companies in Romania

| Name             | The environmental dimension   | The social dimension  | The economic dimension                   | The stakeholders dimension  | The voluntariness dimensions   |
|------------------|---|---|--|---|--|
| Alro S.A.        | -„... receive an Environmental Authorization for more than ten years running (2005)”.<br>-„... first ecological waste dump”.<br>-„... developed programs for the automatic monitoring of environmental impact factors”. | -„... improving the quality of life for its employees as well as for those who live in the surrounding areas”.<br>-„...rebuilding homes destroyed by natural disasters, to education, sports and health”.   | It is presented in Financial Statements. | -„... training of our employees, ensuring that they become environmentally conscious”<br>-„... employees are optimally equipped with all necessary protection equipment and attend ongoing training programs to ensure safety on the job”.<br>-„... free medical supervision and emergency aid is provided at any time”.<br>-„...daily meals.”<br>-„... mineral water or tea and a supplementary diet for the employees who are working in special temperature conditions.”<br>-„... encourages a healthy lifestyle by arranging sports and health rehabilitation events. „ | -„... charitable contributions amount to more than USD 3 million annually, including the sponsoring of five ambulances and other equipment at the local hospital in 2007”. |
| Antibiotice S.A. | -„Protecting the environment is an important area for us and we actively get involved to minimize the effects of our company's activities on environment”   | -„Fairness in recruitment, selection, promotion and avoidance of discrimination”<br>-„Improving the climate and working conditions”<br>-„Motivation and reward”<br>-„We do not tolerate bribery and corruption”<br>-„Proper use of resources and company assets”<br>-„Training” | It is presented in Financial Statements. | -„Valuing our shareholders' investment is one of the priority objectives of the company in fulfilling its obligations and mission”  | -  |
| Azomures S.A.    | -General politics declaration in the quality and environment domain<br>-Emissions   | -   | It is presented in Financial Statements. | -   | -  |

|                                    |  |  |  |   |   |
|------------------------------------|--|--|--|---|---|
|                                    | monitoring<br>-Reports: air samples, oxides of nitrogen, water samples, air samples 24h. |  |  |   |   |
| Banca Comerciala Carpatica S.A.    | -  | -Banca Comerciala Carpatica was rewarded with a prize within the Corporate Social Responsibility Gala, organized in Sibiu by the newspaper Bucharest Business Week. The distinction was presented for its involvement in educational projects – Carpatica Scholarship (2007) | It is presented in Financial Statements. |   | -   |
| Banca Transilvania S.A.            | -  | -  | It is presented in Financial Statements. | -   | -Concerns: communitarian marketing, voluntariness, donations, sponsorships, as well as activities developed through three corporate foundations: „Transilvania”, „Clujul Are Suflet” and „Caritate BT”.<br>-Second place in TOP Corporate Awards, third edition, organized within the Annual Forum of the Donators in Romania (2008). |
| Biofarm S.A.                       | -  | -  | It is presented in Financial Statements. |   | -   |
| BRD – Groupe Societe Generale S.A. | -  | -  | It is presented in Financial Statements. | -BRD-Groupe Société Générale launches in Romania the fifth edition of Citizen Act, a business game on social responsibility themes organized by Groupe Société Générale, in which are traditionally part many universities in Europe, Africa, Mediterranean | -BRD donates 100,000 EUR to help the Romanian victims of the water floods   |



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|------------------------------------|---|---|--|--|--|
|                                    |   |   |  | Region, North America and Asia<br>-Orange Romania and BRD Groupe Societe Generale became the main partners of the first Romanian portal dedicated to the social responsibility of the companies – Social Responsibility  |  |
| C.N.T.E.E. Transelectrica          | -It is compulsory to observe the rules in force concerning the environment protection (Ethical Code)  | - „... support artistic works”.<br>- „...support to the young generation by involving ourselves both financially and socially in its professional development”.<br>- „... financially supporting the award of „Paul Dima” Prize in order to stimulate and maintain the interests in scientific and technical creativity”. | It is presented in Financial Statements. | - „... offer financial assistance to the Association of Energy Retired People (made up of former power engineering employees).<br>- „... financially support to building and revamping schools, churches and monasteries, mainly in the areas where Transelectrica has power transmission branches.” | - „... involve in charitable missions to support the persons living in localities hit by natural disasters”.<br>- „... offer financial assistance to associations of disabled children”.                           |
| Impact Developer & Contractor S.A. | Policy statement for quality, environment, health and job safety:<br>- “Increasing the environmental performances and pollution prevention through the reduction and even elimination of the significant impact resulting from the products or services performed by the company”.<br>- “The development of strategic partnerships with the suppliers which contributes to the quality increase of products and services and to the reduction of the environmental impact”. | - „... supports young people, eager to jump-start their professional careers, through its internships”.   | It is presented in Financial Statements. | - „... periodic training sessions in order to contribute to the employees' individual development”.  | - „... donate building materials to flood victims in various regions of the country”.<br>- „... donated computers to teenagers with limited financial resources”.<br>- „... makes regular donation to orphanages”. |
| Oil Terminal S.A.                  | Politics in Quality Field on Average Term:<br>- Oil Terminal S.A. Constanta' interests are focused on all   | -   | It is presented in Financial Statements. | - „... improving maintenance, works efficiency, work equipments, providing of work protection  | -  |

|                         |   |   |  |  |  |
|-------------------------|---|---|--|--|--|
|                         | business partners' requirements satisfaction by services supply of high quality, concerning tariffs and contractual terms, having in view environment protection and safety and security for our employees.   |   |  | equipments and materials specifically for works".<br>- „...improvement of safety and security at work by introduction an integrated system quality-environment-security”.  |  |
| Oltchim S.A. Rm. Valcea | - „...focused on water treatment by using complex plants based on specific treatment according to the impurities; final correction plant, which purifies waste waters to a higher extent biological treatment”.<br>- „...creating specialized laboratories with the aim of maintaining the water, air and soil pollution levels under control”.<br>„... invests in the education of the production team in order to develop the enthusiasm and knowledge related to the environment”.<br>„... published the quarterly Ecological Newsflash that is distributed to all employees (from 1995)”.<br>- „... exploring new technologies like zero-emission power plants (ZEP) and CO <sub>2</sub> capture combined with Enhanced Oil Recovery (EOR), producing biofuels as well as implementing methods for reductions CO <sub>2</sub> emissions (e.g. CO <sub>2</sub> -free energy sources; more efficient energy technologies for conversion and end | - Main community projects:<br>- „Resources for the Future”<br>- „TaraluiAndrei.ro”<br>- „Parks of the Future”<br>- „Building for the Future”<br>- „Support for the Future”<br>- „Employees for the Future”<br>- „You can be Santa Claus”<br>- „...local CSR projects in several communities | It is presented in Financial Statements. | - „...regular check-ups of the employees' health”.<br>- „...a hot meal at lunch time for employees”.<br>- „...set up a nursery school and a kindergarten so that the employees of Oltchim may enjoy work and family life in a very balanced way”.<br>- „...encourage healthy activities in our employees during their free time”.<br>„...built blocks of flats for 900 single employees;<br>- „... our employees, together with their families, can often enjoy such holidays using the Oltchim leisure resort”. |  |
| OMV Petrom S.A.         | - „... exploring new technologies like zero-emission power plants (ZEP) and CO <sub>2</sub> capture combined with Enhanced Oil Recovery (EOR), producing biofuels as well as implementing methods for reductions CO <sub>2</sub> emissions (e.g. CO <sub>2</sub> -free energy sources; more efficient energy technologies for conversion and end  | - Main community projects:<br>- „Resources for the Future”<br>- „TaraluiAndrei.ro”<br>- „Parks of the Future”<br>- „Building for the Future”<br>- „Support for the Future”<br>- „Employees for the Future”<br>- „You can be Santa Claus”<br>- „...local CSR projects in several communities | It is presented in Financial Statements. | “training activities covered various areas.<br>- „ promote health through check-ups on special topics like eye examinations, vaccinations against flu, hepatitis, and information campaigns”.<br>- „ promote workplace safety by education, information,   | - „...we got involved in the construction or refurbishing of houses for the families in need both through financial aid and with volunteers from our company”. |

|                          |   |   |  |  |   |
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|                          | use; emission trading; projects for acquiring carbon credit").<br>- "Waste water is discharged after appropriate treatments on site or off site in Petrom-owned or communal water-treatment facilities".  | included assistance in developing and implementing local strategy, supporting the authorities from local communities to access European funds for either refurbishment of learning units or implementing a system of selective collection of waste, education on environmental topics and an anti-drug awareness campaign."<br>- „CSR projects developed in Petrom’s filling stations”.   |  | instruction and training”.<br>- ” training process in human rights issues”.<br>- ”developed a Business Ethics E-learning application”.                               |   |
| Prefab SA Bucuresti      | -Certificates to confirm the environment management system, the newest posted being valid until February 2008.  | -   | It is presented in Financial Statements. |  | -   |
| S.N.T.G.N. Transgaz S.A. | -“... financially support the partnerships ... with schools or public institutions for environmental protection projects and green area planning”<br>-„... support the greening projects initiated by the local municipality of Medias and those initiated by other municipalities in the country, where Transgaz has units”. | - „... support the entire sports movement of Medias and of other neighboring localities and we stand by Gaz Metan Medias Sports Club”.<br>-“... supports financially the works of construction and / or reconstruction of places of worship (churches, monasteries), restoration of national patrimony vestiges, construction and / or reconstruction, renovation of buildings of educational institutions (schools, kindergartens)”.<br>-“... financial and social support in the education of the younger generation”<br>-“... we financially support through partnerships the cultural events, organization of theatre performances and music festivals, | It is presented in Financial Statements. | -“Ensure the implementation of adequate processes and procedures in order to meet the requirements of the customers, other stakeholders and the legal requirements”. | -„Within the Green Olympics program voluntary actions were performed consisting in informing citizens about proper way to collect waste”.<br>-„...We stand by those who have suffered damages caused by natural disasters”.<br>-„...By the financial support provided we try to involve ourselves in solving some life problems of the persons with disabilities, in need, without financial possibilities, or of the persons requiring medical treatment”. |

|                        |   |  |  |   |   |
|------------------------|---|--|--|---|---|
|                        |   | competitions and the students' artistic creations".<br>-,,... We contribute financially to the investments of the municipal hospital in Medias". |  |   |   |
| S.S.I.F. Broker S.A.   | -   | -  | It is presented in Financial Statements. | - | - |
| SIF Banat Crisana S.A. | -   | -  | It is presented in Financial Statements. | - | - |
| SIF Moldova S.A.       | -   | -  | It is presented in Financial Statements. | - | - |
| SIF Muntenia S.A.      | -   | -  | It is presented in Financial Statements. | - | - |
| SIF Oltenia S.A.       | -   | -  | It is presented in Financial Statements. | - | - |
| SIF Transilvania S.A.  | -   | -  | It is presented in Financial Statements. | - | - |
| Socep S.A.             | -   | -  | It is presented in Financial Statements. | - | - |
| Turbomecanica S.A.     | -,,... monitoring the waste waters spillage".<br>-,,... developing more efficient airing installations and equipment of filtering the noxes before their exhausting into atmosphere".<br>-,,... monitoring the emissions by specialized labs".<br>-,,... observing the provisions regarding the toxic substances on the basis of the company specific authorization".<br>-,,... observing the waste store, administration and use according to the law in force, by co-operation with specialized companies". | -  | It is presented in Financial Statements. | - | - |

We notice that for the companies in the financial sector the concerns about the presentation of information on CSR on their sites are limited.

Analysis of sites of the companies highlighted the complementary aspects of the five dimensions examined. In this respect, we point out a few issues:

a) Companies have tried to integrate for the presentation of the information the time coordinate. In this sense, the analysis noted the following specific aspects:

- *Highlighting historical dimension*: This aspect is emphasized in several situations:

- For the company Oltchim Ramnicu Valcea, the focus is to present historical information about the social dimension: „... we helped a very large part of the 120,000 inhabitants of Ramnicu Valcea to become owners of apartments (1966-1989).”

- For the company Alro it states: „... it received the Award of Excellence „Corporate Social Responsibility” granted by the Chamber of Commerce and Industry of Romania in recognition of its contribution to economic development of Romania and the region, with special emphasis on environmental orientation perspective, but also on the training and social responsibility.”

- *Highlighting forecast dimension*: for OMV Petrom, in the „Outlook 2010” there are aspects outlining the intent at the social dimension level: “in addition to the renovation of the clinic in owns and to the introduction of new medical software applications PetroMed’s main challenge will be to conduct an intensive training program in emergency and Preventive Medicine.”

Related to this dimension, we see varying degrees of updating the information. Sites of the companies were analyzed between July and September 2010. At that time, there was some information not presented in real time<sup>3</sup>. For example, S.N.T.G.N. TRANSGAZ S.A. website was provided the following intent: Within the Triple P – Profit, People, Planet program in 2010 we want to invest in the future by developing and implementing social responsibility projects such as: Investing in the future, C.I. Motaş Annual Award, Hand in Hand, Today – Me and You, Tomorrow – You and Me, A cleaner environment.

b) In presenting information on the websites of companies, a polarization can be noticed regarding the presentation of the information in the sense that the information way can vary from an optimistic to realistic information<sup>4</sup>:

- *A realistic presentation* is highlighted for the company Oltchim: “Oltchim works in the field of chemistry, where pollution is inherent. Yet, we know that things can be much better than that. Pollution can be reduced to almost nonexistent.”

- *An optimistic presentation* can be considered as follows: “Turbomecanica is part of the businesses with “negligible” impact on the main environmental factors (water, air, soil, visual impact, noise etc.) and a positive socio-economic impact due to useful products made within the company and creating opportunities for employment.”

<sup>3</sup> At the date of revising this article (December 2010) the information was still presented in the same form.

<sup>4</sup> A similar thing is noticed by Chambers et al. “On the one hand, RSC reporting may exaggerate RSC practice and performance, and on the other it might underestimate it”.

For the quantitative analysis (determining the extent to which listed companies in Romania post information about their concerns on CSR), we have developed an array of disclosure requirements regrouped by us on the five dimensions. If the dimension has been reached, we assigned the score 1, if there was no information, we assigned score 0. According to information disclosed voluntarily on companies' sites that are related to social responsibility, we calculated an overall score of the degree of transparency. The maximum score that could be achieved for each of the 22 companies was 5. To interpret the degree of transparency, we split firms into two categories: A and B. The threshold for determining the arithmetic mean was 2.5. Category A corresponds to the companies with a low degree of (below 2.5), while category B is appropriate for companies with a high degree of transparency (between 2.5 and 5). The transparency categories thus created (A and B) were the dependent variable. This together with the independent variables described in the Research Methodology section are presented in table no. 4.

**Table no. 4: Research variables presentation**

| Name                               | The environmental dimension | The social dimension | The economic dimension | The stakeholders dimension | The voluntariness dimensions | Total     | The degree of transparency category | Activity domain | Type of ownership |
|------------------------------------|-----------------------------|----------------------|------------------------|----------------------------|------------------------------|-----------|-------------------------------------|-----------------|-------------------|
| Alro S.A.                          | 1                           | 1                    | 1                      | 1                          | 1                            | 5         | B                                   | NF              | S                 |
| Antibiotice S.A.                   | 1                           | 1                    | 1                      | 1                          | 0                            | 4         | B                                   | NF              | R                 |
| Azomures S.A.                      | 1                           | 0                    | 1                      | 0                          | 0                            | 2         | A                                   | NF              | S                 |
| Banca Comerciala Carpatica S.A.    | 0                           | 1                    | 1                      | 0                          | 0                            | 2         | A                                   | SF              | R                 |
| Banca Transilvania S.A.            | 0                           | 0                    | 1                      | 0                          | 1                            | 2         | A                                   | SF              | R                 |
| Biofarm S.A.                       | 0                           | 0                    | 1                      | 0                          | 0                            | 1         | A                                   | NF              | R                 |
| BRD - Groupe Societe Generale S.A. | 0                           | 0                    | 1                      | 1                          | 1                            | 3         | B                                   | SF              | S                 |
| C.N.T.E.E. Transelectrica          | 1                           | 1                    | 1                      | 1                          | 1                            | 5         | B                                   | NF              | R                 |
| Impact Developer & Contractor S.A. | 1                           | 1                    | 1                      | 1                          | 1                            | 5         | B                                   | NF              | R                 |
| Oil Terminal S.A.                  | 1                           | 0                    | 1                      | 1                          | 0                            | 3         | B                                   | NF              | R                 |
| Oltchim S.A. Rm. Valcea            | 1                           | 0                    | 1                      | 1                          | 0                            | 3         | B                                   | NF              | R                 |
| OMV Petrom S.A.                    | 1                           | 1                    | 1                      | 1                          | 1                            | 5         | B                                   | NF              | S                 |
| Prefab Sa Bucuresti                | 1                           | 0                    | 1                      | 0                          | 0                            | 2         | A                                   | NF              | R                 |
| S.N.T.G.N. Transgaz S.A.           | 1                           | 1                    | 1                      | 1                          | 1                            | 5         | B                                   | NF              | R                 |
| S.S.I.F. Broker S.A.               | 0                           | 0                    | 1                      | 0                          | 0                            | 1         | A                                   | SF              | R                 |
| SIF Banat Crisana S.A.             | 0                           | 0                    | 1                      | 0                          | 0                            | 1         | A                                   | SF              | R                 |
| SIF Moldova S.A.                   | 0                           | 0                    | 1                      | 0                          | 0                            | 1         | A                                   | SF              | R                 |
| SIF Muntenia S.A.                  | 0                           | 0                    | 1                      | 0                          | 0                            | 1         | A                                   | SF              | R                 |
| SIF Oltenia S.A.                   | 0                           | 0                    | 1                      | 0                          | 0                            | 1         | A                                   | SF              | R                 |
| SIF Transilvania S.A.              | 0                           | 0                    | 1                      | 0                          | 0                            | 1         | A                                   | SF              | R                 |
| Socep S.A.                         | 0                           | 0                    | 1                      | 0                          | 0                            | 1         | A                                   | NF              | R                 |
| Turbomecanica S.A.                 | 1                           | 0                    | 1                      | 0                          | 0                            | 2         | A                                   | NF              | R                 |
| <b>TOTAL</b>                       | <b>11</b>                   | <b>7</b>             | <b>22</b>              | <b>11</b>                  | <b>8</b>                     | <b>59</b> |                                     |                 |                   |

After applying statistical tests the following results were obtained:

I10: There is no correlation between the degree of transparency of CSR disclosure on the web sites and the type of shareholders of the companies

I1: There is a correlation between the degree of transparency of CSR disclosure on the web sites and the type of shareholders of the companies

After applying the chi-square test, the probability  $p$  was 0.12, higher than the accepted limit (0.05), which means that the null hypothesis I10: There is no correlation between the degree of transparency of CSR disclosure on the web sites and the type of shareholders of the companies has been accepted and I1: There is a correlation between the degree of transparency of CSR disclosure on the web sites and the type of shareholders of the companies was rejected.

In conclusion, we find that there is a polarization of preferences on the transparency of CSR information on sites for the companies analyzed by type of ownership (Romanian or foreign).

I20: There is no correlation between the degree of transparency of CSR disclosure on the web sites and the activity of the companies

I2: There is a correlation between the degree of transparency of CSR disclosure on the web sites and the activity of the companies

After applying the chi-square test, the values obtained were as follows. (Table no. 5)

**Table no. 5: Chi-square test results**

| Statistic          | Statistics: Var1 x Var3 |      |          |
|--------------------|-------------------------|------|----------|
|                    | Chi-square              | df   | p        |
| Pearson Chi-square | 5,594419                | df=1 | p=,01802 |
| M-L Chi-square     | 6,164925                | df=1 | p=,01303 |

We note that the threshold of significance obtained ( $p$ ) has a value of 0.01, which means that a statistically significant correlation is obtained. In our case, there is a 1% probability that the association is coincidental. Consequently, the null hypothesis I20: There is no correlation between the degree of transparency of CSR disclosure on the web sites and the activity of the companies was rejected, and if I2: There is a correlation between the degree of transparency of CSR disclosure on the web sites and the activity of the companies has been accepted.

The correlation with the activity is tested as follows: business firms in the non-financial (NF) activity domain have a higher degree of disclosure on their sites than financial services firms (SF).

## Conclusions

The analysis in this paper resulted in the identification of transparency degree in corporate social responsibility for the first echelon of companies listed on the Bucharest Stock Exchange. Using the international framework on CSR suggested by Dahlsrud (2008), in the national context, led to the formulation of an objective image of the performance of

companies in Romania, expressed not only in financial terms. It was also noted in statements, a different position on the time axis on disclosure of CSR type information. Disclosure was made, either by presenting historical dimension (Oltchim Ramnicu Valcea), or by use of forward looking dimension (SNTGN TRANSGAZ SA).

The qualitative analysis conducted in this paper has been doubled by a quantitative analysis. Following quantitative analysis I1: There is a correlation between the degree of transparency of CSR disclosure on the web sites and the type of shareholders of the companies has not been scientifically validated (the corresponding null hypothesis was accepted). In this respect we find that there is a polarization of preferences on the transparency of CSR information on sites for the companies analyzed by type of ownership (Romanian or foreign). I2 hypothesis: There is a correlation between the degree of transparency of CSR disclosure on the web sites and the activity of the companies was accepted (the corresponding null hypothesis was rejected). Correlation with the activity is conducted as follows: business firms in the non-financial (NF) domain have a higher degree of disclosure on their sites than financial services firms (SF).

Since listed companies in Romania are not required to disclose information that include the matters discussed in terms of corporate social responsibility, we intend to analyze how changes in time the degree of transparency for such CSR disclosure. It would also be of interest to the research an extension to non-listed companies to see if there is a difference between the presentation of CSR information in the two categories.

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