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Article

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The role of the stakeholders in the institutionalization of the CSR reporting in Romania

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Abstract: Social and environmental aspects are increasingly included in the different types of reports prepared by the Romanian companies. Our research question is which are the forces that drive the institutionalization of the CSR reporting in Romania. We consider the stakeholders as the primary responsible parties for how CSR reporting is implemented. We find that the main initiatives regarding the CSR in Romania belong to the government. Also, the European institutions, through the directives approved, play a major role in CSR reporting in Romania. Our results also show that other stakeholders (companies, the academic environment or Big Four companies) play active roles in the institutionalization of CSR practices and there is an apparent need for more coordinated efforts. Evidence was found with respect to coercive and mimetic isomorphism.

Keywords: CSR, Romania, stakeholders, institutionalization.

JEL codes: M40

1. Introduction

The entities have to rely in their activity not only on economic criteria, but also on social and environmental ones. This reality led to the publication of an increasing number of CSR reports by the organisations, to the analysis of the non-financial information by the stakeholders, and to the development of standards and regulations in the area etc.

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We consider that it is important to study the institutional context in which the CSR reporting in Romania developed and the initiatives of different stakeholder groups regarding the social and environmental reporting. Studying the interactions between companies and the interactions between companies and other parties interested in the CSR process can provide an image of the way in which the CSR practices and opinions are crystalized. It can also outline the way in which CSR practices favour one social group at the expense of another. These are unanswered questions which still capture the researchers' attention.

In the context of the implementation of the European Directive 2014/95/EU on non-financial reporting, Romania represents a good setting for such a research. Becoming a member of the European Union (EU) eight years ago, the country does not yet display the ability to easily adapt to the new requirements associated with its position. The new non-financial reporting directive will take effect in the national regulations starting with 2016, and will be used in corporate reporting starting with 2017. Only 31 out of 31,960 CSR reports included in the GRI database were published by companies operating in Romania and none of them had the highest application level A+ (GRI, 2016). This provides a (narrow) picture of the level of experience and success Romanian companies have in terms of CSR reporting. Also, previous studies (Albu *et al.*, 2011a) show that the CSR competencies are not among the ones required by an employer from a future accountant.

Our aim is to identify the forces which drive the entities to produce CSR reports in Romania. We rely on an empirical research of the processes through which the CSR reporting (and all other reporting practices associated with CSR, sustainability, or social and environmental reporting) was institutionalized in a national context. We explored the way in which the national regulations in the area were filtered by various actors and rearranged to generate the CSR practices applied in Romania nowadays.

We use the institutional theory to build the theoretical framework of the research. The existence and usefulness of the corporate social responsibility (CSR), sustainability or integrated reporting are frequently analysed in the context of the institutional theory, within which the company's interactions with third parties are commented (Jennings & Zandbergen, 1995; Delmas, 2002; Bartlett *et al.*, 2007; Pollach, 2012). We find information on the institutionalization of CSR initiatives in the United States, France (Avetisyan & Ferrary, 2013), Switzerland (Daub, 2007), Australia (Farneti & Guthrie, 2009), Estonia (Gurvitsh & Sidorova, 2012), the United Kingdom (Holton *et al.*, 2010), Spain (Husted & Allen, 2007), Lithuania (Leitoniene *et al.*, 2015) etc.

In the context of this research, one of the first relevant aspects is related to the stakeholders who have an impact on the CSR reporting. We are interested in

determining who are the most important stakeholders of CSR reporting in Romania. We see the stakeholders not only as passive beneficiaries of the companies' reporting systems, but also as an engine which leads to the institutionalization of the CSR reporting practices. The CSR reporting in Romania is characterised by increasing global influence. Therefore, one of the specific stakeholders addressed in this research is the EU. Other stakeholders are the government (including all the State's institutions and their respective tools), the companies, the academic environment, the professional bodies, the Big Four, and the NGOs.

An original part of this research is the macroeconomic approach, which entails looking at the reporting from the point of view of all of the stakeholders and not only from the companies' point of view (which is the case of most of the studies published so far).

The remainder of the paper is organized as follows. We present the literature review with a specific emphasis on the stakeholders and on the way they are reflected in the literature. We describe the theoretical framework on which the study was built. The research methodology follows. In the results section we describe the main findings on categories of stakeholders. The paper ends with conclusions, which synthesize the main initiatives and the main outcomes regarding the CSR reporting in Romania, the potential impact on CSR practices and directions for future research.

2. The stakeholders: incentives and motivations for the voluntary and mandatory reporting

The leading factors of the voluntary disclosure of information have been extensively investigated (Berger, 2011; Beyer *et al.*, 2010; Einhorn, 2007; Guidry & Patten, 2012; Heitzman *et al.*, 2010; Langberg & Sivaramakrishnan, 2008; Lo, 2010; Schaltegger & Burrit, 2010). As such, Heitzman *et al.* (2010) refer to Verrechia (1983, 2001), who summarizes the voluntary disclosure theories with the conclusion that "managers disclose information when the benefits exceed the costs." Velte (2014) links the voluntary publication of information to "the increasing application of capital market-orientated corporate management concepts", i.e. the desire to reduce "value gaps, which are formed between corporate management and the investor, due to the asymmetrical information brokerage and the lack of capital market efficiency." Maignan & Ralston (2002) found three reasons for the companies' responsible behaviour: "(1) managers valued such behaviour in its own right, (2) managers believed that this behaviour enhanced the financial performance of their firms, and (3) stakeholders (notably,

community groups, customers, and regulators) pressured firms to behave in socially responsible ways.”

Berman *et al.* (1999) introduce two perspectives on a company’s motivation to act in a sustainable manner: an instrumental and a normative one. In the instrumental perspective, the company is interested in the welfare of its stakeholders because this will have a positive effect on its own financial performance. In the normative perspective, the company protects the interests of its stakeholders because it has a moral obligation to do so.

It results that previous studies acknowledge that the stakeholders represent one of the forces which drive the CSR reporting institutionalization. According to Freeman (1984, p. 46) cited by Eccles & Krzus (2010) “a stakeholder in an organization is (by definition) any group or individual who can affect or is affected by the achievement of the organization’s objectives.”

Stakeholder groups are discussed and often classified in terms of their information needs or their influence on CSR reporting.

2.1 Categories of stakeholders influencing the company’s responsible behaviour

In the beginning, having a voluntary character, the CSR reporting was determined by the stakeholders, other than the State. In time, however, the situation changed and the governments started to ask the entities to present various reports, indicators or statements with respect to social and environmental-related matters. Regulators (both governments and stock exchanges) tend to focus on the information needs of shareholders (Deegan, 2004). We will take into consideration this apparent “shift” from the general influence of different stakeholders’ groups to the specific regulatory power of the State, as we examine the main factors which influence the institutionalization of CSR reporting practices in Romania.

Following the publications by Freedman & Stagliano (1992), O’Dwyer *et al.* (2005), Smith *et al.* (2005) etc., we note that the results of the research concerning stakeholder influence vary considerably from one country to another, due to factors identified by Freeman *et al.* (2010) as social norms, political and economic systems, and government regulations. The differences between countries in terms of CSR reporting are determined by the expectations and pressures of the stakeholders (Clarkson, 1998, 250; Mitchell *et al.*, 1998). Stakeholders can be compared with “transmission belts that translate cultural notions into concrete claims, and that convey them into corporate mind-sets” (Steurer & Konrad, 2009).

The literature provides mixed results regarding stakeholders’ ability to influence CSR reporting practices. Bowen *et al.* (1992) used stakeholder theory to explain

how stakeholders influence financial reporting, Winston & Sharp (2005) studied the influence of different stakeholders' groups on international standard setting, while Darnall *et al.* (2009) studied the association between the use of environmental audits and differences in stakeholder influences.

The stakeholders identified by Maignan & Ralston (2002) as determining the companies' responsible behaviour were: community groups, customers and regulations. For Delmas & Toffel (2004) the companies' institutional pressures in terms of CSR come from: government; customers and competition; community and CSR interest groups; industry; interactions; the firm characteristics. According to Avetisyan & Ferrary (2013) the CSR reporting stakeholders are: CSR rating agencies; institutional entrepreneurs; standard setters; regulatory agents; global and local stakeholders, such as the EU, the United Nations, the International Organizations for Standardization, government and their interactions. For Habek & Wolniak (2013) the stakeholders who drive the development of the CSR reporting are the companies, the European institutions, governments, civil society and the investor community. The Big Four entities represent another important stakeholder for accounting. They are interested in the uniformity of the reporting practices at international level (Albu *et al.*, 2011b).

EU is the world's region in which the companies are the most active in terms of CSR reporting. For instance, 47% of the reports included in the GRI database in 2011 came from Europe. Also, in terms of our research, this leads us to the analysis of a specific stakeholder: the EU. According to Doh & Guay (2006) the EU has become a significant international actor in its own right over the past three decades. The same author presents the interest groups as an important stakeholder which influences the CSR reporting.

The European Commission considers that the "primary actors in CSR" are the businesses (EC, 2006). The European Parliament also recognizes the importance of the investors and asks for their "full participation as stakeholders in the CSR debate at the EU level" (EP, 2007). In the IIRF, along with the providers of financial capital, are mentioned the following stakeholders: employees, customers, suppliers, business partners, local communities, legislators, regulators and policy-makers (IIRC, 2013).

Among the drivers of CSR concerns, Avetisyan and Ferrary (2013) point to the CSR *rating agencies* as essential actors, since the "emergent nature of the CSR field stems from the rising worldwide interest in this concept, and the sudden appearance of CSR rating agencies in the late 1980s".

In Romania, Apostol (2015) identified the civil society as one of the stakeholders which enable societal debates. Authors consider that the quality of CSR reporting increased during the last years (Ienciu *et al.*, 2011; Budeanu & Thidell, 2006;

Obrad *et al.*, 2011; Albu *et al.*, 2011b). The stakeholders who determined this change were the EU (Ienciu *et al.*, 2011) (as Romania became a member of the EU in 2007) and the multinational companies. The companies acted on two levels: some of them influenced the CSR reporting practices of the privatised companies (Bogdan *et al.*, 2007), while others implemented the CSR reporting pattern of the group in their subsidiaries (Dumitru *et al.*, 2014). Most of the CSR practices in Romania were imported and are used as impression management techniques rather than to improve the transparency.

2.2 Information needs of the groups of stakeholders

Our hypothesis is that each category of stakeholders has its own information needs. As such, we assume that it exerts pressure on the companies to disclose the information it wants which leads to the institutionalization of specific practices. This is why in this section of the paper we present the information needs of specific stakeholders.

In respect of *providers of financial capital*, Epstein and Freedman (1994) find that between 67% and 85% of “individual investors” wanted disclosure on employee relations, ethics, community involvement, product quality and environmental activities. These serve as support for investment decision-making (Solomon & Solomon, 2006). Rockness and Williams (1988) surveyed ethical mutual funds’ directors and found a strong demand for many types of social information. Sustainability information is used by *employees* (Dawkins & Lewis, 2003) and *suppliers* (McInnes *et al.*, 2007) to understand the social and environmental policies of the entities.

NGOs seek evidence that a company complied with all relevant legislation and required information to assess the performance of a company over time (Kolk, 2003; O’Dwyer & Owen, 2005). They also support the introduction of some standardization of the reporting process in order to enhance comparability, since different reporting formats are currently used to report to different target groups.

Empirical evidence shows a widespread demand among *non-managerial stakeholders* for mandated, externally verified sustainability reporting (O’Dwyer *et al.*, 2005). However, any information which can be used by external stakeholders to control management has an incentive effect and alters management’s internal decision-making (Eierle & Schultze, 2013). Management may decide to disclose certain information based on the reaction expected from the stakeholders, in search of legitimacy.

Voluntary sustainability reporting is perceived as a transitional stage and dependent on the convergence of factors that support its development such as regulation, increased education and communication (Joseph, 2012). Yet, “change may require

harnessing external factors in addition to the internal voluntarism to bring about the necessary cohesion to bear on the implementation of sustainability” (Joseph, 2012).

In a classification of stakeholders towards which the companies are accountable, Cormier *et al.* (2004) suggests that there are three levels. On the first level are situated the shareholders and debtors; they are asking from the management for relevant information which minimizes the cost of capital. On the second level are placed the “social” stakeholders: the employees, suppliers, customers, governments and the public; the CSR reporting addresses first their information needs in the entities’ search for legitimacy. The quality of the disclosures is put, however, by Cormier *et al.* (2005) under the sign of the institutional theory. For qualitative reporting entities tend to imitate others in the same domain or country, what they did in the past and observe the laws and regulations in force. Thus, on the third level are the other companies and the State.

This study approaches the role of stakeholders from a country-level perspective. By examining the main stakeholder groups in the Romanian setting, we contribute to the existing literature on stakeholder influence on CSR practices.

3. The institutional theory

Institutionalization is the process whereby practices are developed and learned (Dillard *et al.*, 2004). It refers to a shared set of meanings, beliefs, practices and values which, combined, tend towards the relative homogenisation of organisations (DiMaggio & Powell, 1991). Organizations and their strategies are substantially influenced by the broader institutional settings in which they operate, and shaped by the institutional legacies that reflect the culture, history, and policy of the particular country or region (Doh, 2006). The tools with which the institutional theory operates are the rules, habits, routines, norms and culture.

CSR studies in which the institutional theory was used suggest that CSR reporting is practiced either by passive firms pressured by stakeholders, or because it improves profitability. There are many examples of the institutionalization of CSR as a society-wide concept. For instance, accidents and incidents, fraud, scandals and even problems with the existing global economic system have all been linked back to the wider responsibilities of business to society.

CSR has become a highly critical function for managing stakeholder relations, which has led to its institutionalization (Bartlett *et al.*, 2007). Consequences of institutionalization of CSR can be: the development of trained professionals (Meyer & Rowan, 1977), changes in public opinion (e.g. actions on climate change), shareholder investment activities (e.g. Consolandi *et al.*, 2009; Eccles & Krzus, 2010), modification of market tools such as the annual reports (e.g. Owen & O’Dwyer, 2008) and issuing laws or standards. For instance, some countries are

issuing relevant legislation, the EU is adopting new directives, many entities, such as the International Integrated Reporting Council, the Global Reporting Initiative or the Sustainability Accounting Standards Board are issuing standards.

Institutional theory has been adopted in the accounting literature to explain accounting choices, the change process or the inter-play between practices, routines, institutions, power and politics (Burns, 2000; Dillard *et al.*, 2004; Mir & Rahaman, 2005). Therefore, the institutional theory represents a valuable framework to explain the country-specific factors affecting CSR reporting implementation in Romania.

Differences in the CSR behaviour from one country to another might be explained by the specific political, cultural and other institutions (Maignan & Ralston, 2002). Yet, the most obvious explanation of CSR is the state's regulatory sanctions (Campbell, 2007).

The process by which an organization adopts an institutional practice is called isomorphism. DiMaggio & Powell (1983) (as used by Dillard *et al.*, 2004; Mir & Rahaman, 2005; Tsamenyi *et al.*, 2006) identify three types of isomorphism: coercive, normative and mimetic.

The *coercive isomorphism* represents the pressures imposed by the government, the capital markets or the wider society. It determines the companies to adopt the regulations. For instance, in terms of CSR reporting in Romania, the companies listed on the Bucharest Stock Exchange have to adopt the rules enacted by Financial Supervisory Authority (ASF). The coercive forces have been the main drivers for the environmental management practices, as a part of CSR (Jennings & Zandbergen, 1995). The coercive isomorphism was documented in the literature on two levels: the country and the activity domain. The national regulatory and cultural aspects determine different costs and potential benefits of the CSR practices from one country to another (Delmas, 2002). Different coercive forces exerted on the companies in different domains make them adopt different CSR practices (Milstein *et al.*, 2002). The *normative isomorphism* represents the pressures exercised by the profession and non-regulatory organizations. For instance, regarding the CSR reporting, the norm for most of the companies is represented by the GRI guidelines. The *mimetic isomorphism* is the tendency of the companies to imitate the best practices. It helps entities to gain legitimacy. For instance, regarding the CSR reporting, one can notice that companies acting in the same domain tend to present comparable CSR reports.

All three types of isomorphism are analysed in this study, based on the information collected for different stakeholder groups in a Romanian setting. The institutionalisation of CSR practices mainly refers to their assimilation within the companies' reporting system. Therefore, special attention will be given to the

companies' reporting patterns, by analysing a sample of corporate reports issued by companies listed on the Bucharest Stock Exchange.

4. Research methodology

The objectives of the present paper were reached through a qualitative and quantitative research, by means of which we investigated the manner in which the initiatives of the main stakeholders contributed to the institutionalization of CSR concepts and practices. Based on a thorough literature review, we identified the interested parties in the implementation of CSR, i.e:

- Public authorities / governmental entities;
- Companies;
- Academic environment;
- Professional bodies;
- Big Four companies;
- NGOs.

The initiatives of the **regulatory bodies** were assessed based on the European and Romanian regulatory frameworks, more specifically the regulation referring to CSR actions or policies and CSR reporting. In this line, we surveyed the European directives on social responsibility and non-financial reporting, as well as the reports of the European Commission with regard to the CSR policy implementation degree in the Member States. In the same context, we analysed the Romanian regulations on social responsibility, including legislation referring to CSR associated topics (environment, social protection, transparency, fight against corruption etc.) and non-financial reporting. We also considered documents revealing the involvement of the authorities in promoting CSR concepts and practices (strategies, analyses, reports).

The reporting practices of Romanian **companies** were surveyed using a sample of 20 companies listed on the Bucharest Stock Exchange (BSE), from the BETPlus Index, which tracks the performance of the most traded shares on the market (excluding financial companies, because of their specific reporting system). The entities were included in the sample based on their status on the BSE and their size, proxied by the number of employees (higher than 500). The sample is made up of companies who currently observe CSR reporting requirements in the national legislation and will be affected by the implementation of the new EU Directive 2014/95/EU on non-financial reporting. This sample was selected with the goal to extract information regarding the mandatory CSR reporting practices, which we consider relevant especially with regard to coercive isomorphism.

For these entities, we surveyed the annual reports and other disclosure outlets, such as the management commentary/the administrators' report/the board of directors' report, which were made available to the public through the BSE website in 2015. If more than one document was available for the same company, we used the most comprehensive version. We will refer to these documents as management commentaries, because this is the section of the annual report or the stand-alone document which provided the data used in the study.

We collected data from the management commentaries regarding the CSR reporting practices using content analysis. We used a coding system, by attributing scores of 0/1 for the absence/presence of specific information. We organized the data by two criteria: first, we identified the national legislative requirements and investigated the extent to which entities observe these requirements and then choose to disclose additional information. Next, we organized the data using an evaluation grid based on the content of the European Directive 2014/95/EU on non-financial reporting (which is more complex than national legislation) to determine to what extent Romanian companies are prepared to implement the Directive. By correlating the two sets of data, information can be inferred related to the mechanisms through which the reporting practices were institutionalized: legislative requirements or voluntary initiatives.

Additional sources of information regarding the companies were the CSR-specialized websites for Romanian companies and the GRI database. We used the data from the GRI database (2014 and 2015) and CSR websites to assess the corporate reporting practices of entities outside the initial sample. We attribute the relevance of this type of information to other types of isomorphism (mainly mimetic), which relates to the companies' voluntary reporting practices and behaviours.

The extent to which the skills employed in CSR reporting are developed by Romanian **universities** was investigated by analysing the curriculum of all bachelor and master programs run by the economics and business faculties of the largest four university centres from Romania: Bucharest, Cluj, Iași, and Timișoara. We aimed to identify all disciplines that provide knowledge and skills required by the CSR communication. In a second step, we selected those disciplines most frequently encountered in our first step and examined the delivered content, based on the syllabus.

In order to assess the involvement of **Big Four** companies in the institutionalization of CSR practices, we used the information available on their websites, including studies, research papers and surveys.

With regard to **professional bodies**, we investigated the training programs available to the members of the Body of Expert and Licensed Accountants (*Ro.*

Corpul Experților Contabili și Contabililor Autorizați din România – CECCAR), as well as of the Chamber of Financial Auditors of Romania (*Ro. Camera Auditorilor Financiari din România – CAFR*). In a further step, we surveyed the websites of the two bodies and analysed the entries by which accounting professionals are informed with regard to international CSR concerns. More, the analysis of the general sustainability reporting framework suggested by IFAC was necessary, as both Romanian professional bodies are members of this federation. Since a third professional body with a steadily increasing number of members in Romania is ACCA, we also investigated the content of its training programs, in order to identify topics associated with CSR.

In order to assess the CSR concerns of the NGOs, we investigated the content of the sustainability preoccupations among Romanian NGOs, by surveying the most popular (i.e. content relevant and frequently accessed) specific websites, indicated as such by four different search engines, based on four key search terms: NGO, CSR, sustainability, Romania.

5. Stakeholders' involvement in CSR in Romania.

Study results

5.1 Public authorities/governmental entities

Though CSR is a “common sense” obligation, it demands the observation of laws and regulations, as it embodies actions and commitments that need to respond to legal requirements in several fields: human rights, governance and ethics, environment protection, fight against corruption, financial and non-financial reporting etc. Our analysis of CSR regulations includes regulations dealing with CSR actions and CSR reporting, taking into consideration the Romanian, as well as the EU regulations.

The responsibility of defining public policies belongs to the government, who is bound to create the circumstances needed for the development of the social responsibility concept; such policies are coordinated by different ministries, so that the conception and application of a nationally coherent action plan, in line with the European and international regulation in the field of social responsibility, is quite difficult. Immediately after Romania's adhesion to the EU, the CSR related concepts gained in importance, due to the assimilation of EU regulations into national legislation.

In a developing social and economic environment, the social responsibility concept was initially appreciated rather for commercial reasons than for ethical ones; CSR

used to be seen as a „building-image instrument”, as specified within an EU report from 2007 (*Corporate Social Responsibility: National public policies in the European Union*), without considering the long-term consequences of a corporate behaviour oriented towards social and environmental performance. In 2007, based on the Government decision no. 381/2007, a new department was established within the organizational structure of the Ministry of Labour – i.e. the Corporate Social Responsibility Department, whose task was to identify and prepare policies in the field of CSR, as well as to disseminate and implement CSR activities.

The National Strategy for the Promotion of Social Responsibility 2011-2016 was adopted in 2011; the premises supporting the preparation of this strategy were the weak involvement of the local and central public authorities in CSR promotion activities, as well as the need of Romanian companies to embrace a socially responsible behaviour. The creation of the strategy was preceded by a SWOT analysis, which identified the weaknesses with regard to the legislative framework and the involvement level of the institutions: the lack of coherent public policies, budgetary funds and legislative framework for CSR; the deficient application of existing regulations; delays with regard to acceptable standards in CSR/SR related fields (e.g. the environment), as compared to other EU Member States; and, as a consequence, the risk that Romanian companies are not allowed to access certain markets. The goal of the strategy was to “increase the awareness for the importance and benefits of applying social responsibility, as well as to raise the involvement of the public sector, the Romanian companies, the multinational companies and the civil society in the implementation of social responsibility in Romania”.

The large number of institutions involved in the issuance of regulations, as well as of authorities meant to monitor or regulate CSR related activities raises difficulties for the organizations and leads to the fact that their undertakings are characterised by a lack of vision and coordination. Moreover, it overburdens the companies which, besides drafting the annual financial report, must pay taxes to the Ministry of Environment, prepare various reports for the National Statistical Institute, the Ministry of Finance and the ASF. Tax reports should also not be omitted as they often overload accountants to the extent that these are no longer able to focus on other reports than the financial ones.

Besides specific regulations, the main problem of the CSR in Romania is the lack of a unitary action plan. However, according to *Corporate Social Responsibility: National public policies in the European Union (Compendium 2014)*, national action plans on CSR are being developed in Romania. The European Commission points to a positive aspect: following its adhesion to the OECD Guidelines, Romania was bound to establish National Contact Points; their role is “to further the effectiveness of the Guidelines by undertaking promotional activities, handling enquiries, and contributing to the resolution of issues that arise from the alleged non-observance of the Guidelines in specific instances”. The European

Commission appreciated the initiatives of the Romanian institutions, among which we mention:

- The efforts made by the Government in promoting transparency within CSR reporting, as well as in implementing and disseminating CSR practices;
- The launching of actions meant to enhance the consumer awareness with regard to the impact of the consumed goods on the environment;
- The encouragement by the Government of public-private partnerships in the field of CSR;
- The creation of an on-line database of green purchases;
- The revision of social policies, by encouraging volunteering and regarding it as professional experience.

In the same context, we point to the initiatives of the Chamber of Commerce and Industry of Romania which, within its projects, aimed: (a) to encourage research in the field of CSR, for improving the knowledge of SMEs; (b) to establish support offices, for promoting social responsibility among Romanian companies; (c) to enhance the involvement of women in economic activities; (d) to train the personnel of professional bodies, in order for these to promote the CSR concept in the business environment, as well as in the entire society; (e) to create networks, meant to facilitate the exchange of experience and the promotion of good practices. Besides these, environmental protection initiatives should be mentioned, such as: (i) the prevention and decrease of the environmental impact of packaging and packaging waste; or (ii) the development of ecologic markets.

In 2010, ISO 26000 (International Standard on Social responsibility) was introduced, addressing the implementation of the social responsibility principles in all types of organizations, not only by private, but also by public entities. ISO 26000 provides entities with the instruments they need for defining a social responsibility policy, integrating SR principles into current decisions, involving stakeholders in decisions that concern them directly and reporting sustainability-related matters. Thereby, the monitoring and reporting of global (economic, social and environmental) performance is encouraged. The standard takes over the integrated reporting concepts and supports the idea that companies should reconsider their strategies and operations, in order to create long-term value for all stakeholders.

Turning to financial and non-financial (or CSR) reporting, two specific regulations are currently in force in Romania: The Order of the Minister of Public Finance (OMFP) No. 1286/2014, addressing listed companies and the OMFP No. 1802/2014 addressing non-listed companies. Both regulations require the disclosure, within the administrators' report, of non-financial information with regard to the employees, performance indicators or environmental issues. However, such information needs to be disclosed only if it is necessary for understanding the company's financial position and performance, meaning that it is not compulsory.

Also, the Romanian listed companies are currently required by the ASF, in accordance with the National Securities Commission (CNVM) Regulation no. 1/2006 still in force, to disclose administrators' report/ board of directors' report/management commentary which includes CSR-related information, such as:

- information related to *employees*, such as their number, qualification level, number/percent of union members, relationship with management and work conflicts;
- information about the *environmental impact*: is 'a synthetic description of the environmental impacts of the company's operating activities and any existing or expected disputes or litigations regarding violations of the environmental legislation';
- information related to *risk management and the associated policies and objectives* (with clear references to risks of a financial nature) and some prospective information about events that can significantly affect operating revenues.

The EU issued the Directive 2014/95/EU as a response to the inadequate transparency of the non-financial information in the business environment (EU, 2013). The Directive clarifies the objective and the nature of the CSR information disclosure within the annual report of public interest or large companies (listed companies, credit or insurance institutions, or companies which are of public interest due to EU regulations, or the nature of their activities, or size), with more than 500 employees. For these companies, the management commentary must include a distinct section for CSR information. The disclosure of CSR information will be made via a non-financial statement which will describe the business model of the entity, the policies pursued by the company in relation to environmental, social and employee matters, respect for human rights, procedures to counteract corruption and bribery and their outcomes, risks and risk management related to those matters and non-financial key performance indicators. In providing this information, companies may rely on various frameworks (their own, national, European or international). Member States are required to implement the provisions of the Directive into national law by December 6, 2016, while national regulations, taking into account these provisions, are to be applied by the entities indicated in the Directive in the financial year commencing on January 1, 2017, or during the calendar year 2017.

The adoption of the Directive's requirements entails significant changes of the specific Romanian legislation. However, there is currently no information available to the public, from the national institutions, about the process. The information was, however, signalled in the online environment by specialized website dealing with CSR issues (<http://www.responsabilitatesociala.ro>), as well as in a study by the Romanian Centre for European Policies (2014), and it motivated the Bucharest Chamber of Commerce to initiate debates on the subject (www.ccib.ro). The Directive was partially assimilated into Romanian regulations in 2015, when the

ASF issued Rule no. 39/2015 applicable to entities in the financial investments and instruments sector which use the IFRS.

Public authorities are responsible for creating and preserving an environment that encourages the application of the CSR concept, given their relevance to the sustainable economic development of the society. The harmonization of the Romanian legislative framework was initiated at the moment of the EU adhesion; though it hasn't been yet completed, remarkable progress can be observed, with regard to the regulation of environment protection, employee health and safety, skills development, social inclusion and fight against the corruption.

5.2 Companies

CSR reporting in Romania is not mandatory for all the companies. As CSR reporting stakeholders, listed companies disclose CSR information as required by national regulations. Companies might also be interested in disclosing this type of information in order to ensure their legitimacy.

We surveyed the management commentaries of the 20 companies included in the sample in terms of form, referential and content. The main content elements from the management commentary required by the CNVM regulations, which can be associated with CSR reporting are: risks (non-financial), number of trade union members, professional training, relationships between management and employees, litigations with employees, environmental impacts and environmental litigations. Therefore, we searched for these items in the management commentaries, to assess conformity with national regulations. We also searched for additional information in the reports, related to non-financial risks and social or environmental issues not covered by the national legislation to assess to what extent the companies manifest initiative by voluntarily including information in their management commentary. The results of our observations are synthesized in Table 1.

Table 1. Number of companies who disclose CSR-related information

Surveyed reporting aspect – extracted from national regulations	No. of companies complying with CNVM regulation	No. of companies making additional voluntary disclosures
Report form (template)	13	7
Reporting standard for CSR information	20	0
<i>Risks</i> (financial)	20	10
<i>Environment</i> (impacts, litigations)	20	11
<i>Employees and social</i> (relationships, litigations, training, number of trade union members)	20	14

The form in which information was presented indicates that most companies (13 out of 20) used the content of the CNVM regulation as a template for their own management commentary. Seven companies integrated the information that answered the CNVM regulation into their annual reports. None of the companies indicated a CSR reporting standard as being used in their (CSR section of the) reports. However, in terms of content, not all entities chose to disclose additional information. Out of the 20 companies included in the sample, 10 provided information about the non-financial risks, 11 provided additional information about the environment and 14 provided additional information about the employees and community.

We subsequently applied an evaluation grid to the information in the management commentary, which consisted of assigning scores of 0, for the absence from, or 1, for the presence in these reports of information required by the Directive ED 2014/95/EU. The studied items covered the business model and risks, environmental matters, social and employee-related matters and ethical issues. We correlated these items with the CNVM regulations, to make a more detailed determination of the reporting patterns which can be attributed to voluntary CSR practices, as opposed to those associated with the national legislation. The evaluation grid and correspondence between the CNVM and Directive reporting items is presented in Table 2, along with an average score for each reporting item based on the number of companies in the sample which report the item (Average score = Number of entities reporting the item/20). An average score of 1 indicates that all companies report a certain item, while a score of 0.3, for example, indicates that only 30% of companies report the item.

Table 2. European Directive and CNVM Regulation

Directive ED 2014/95/EU		CNVM Regulation	
Reporting items	Average score	Reporting items	Average score
<i>Business model, policies, risks related to CSR issues</i>			
Business model	1.00	Business model	1.00
Policies	0.70	Risk management policies	0.85
Principal risks (social and environmental)	0.50	Risks (financial nature)	0.95
Non-financial KPIs	0.45		
<i>Environmental matters</i>			
Impacts on the environment	1.00	Environmental impacts	1.00
		Environmental litigations	0.90
Impacts on health and safety	0.35		
Use of renewable energy	0.10		
Use of non-renewable energy	0.25		
GHG emissions	0.40		

Directive ED 2014/95/EU		CNVM Regulation	
Reporting items	Average score	Reporting items	Average score
Water	0.60		
Air pollution	0.45		
<i>Social and employee related matters</i>			
Actions taken to ensure gender equality	0.35		
Implementation of fundamental conventions of the International Labour Organisation	0.10		
Working conditions (including professional training and development)	0.90	Professional training (structure of employees)	0.85
Respect for the right of workers to be informed and consulted	1.00	Relationships between management and employees	1.00
		Litigations with employees	0.85
Respect for trade union rights	0.75	Number of trade union members	0.80
Health and safety at work	0.75		
The dialogue with local communities	0.65		
Actions taken to ensure the protection and the development of the local communities	0.60		
<i>Ethical matters</i>			
Prevention of human rights abuses, instruments to fight corruption and bribery	0.35		

As it can be noticed in Table 2, companies generally observe the CNVM regulations, as all the scores associated with reporting items extracted from the national regulations are above 0.8. Out of the 11 reporting items required by the Directive which were assigned scores higher than 0.50 (meaning that more than 50% of companies report on the related issue), seven items are directly linked with reporting provisions from the national legislation. Two other items (water, health and safety at work) are associated in the companies' presentations with other specific legislative requirements, by frequent and explicit references to legal provisions which address the matter. Only nine companies provided information in the form of non-financial KPIs.

The items which are not covered in the national reporting were less frequently disclosed in the reports prepared by the companies included in the sample. Only two of the higher scores were assigned to reporting items that are usually

associated with voluntary CSR reporting: dialogue with local communities (0.65) and actions taken to ensure the protection and the development of the local communities (0.50). The scores for non-financial KPIs and air pollution were 0.45, and the score for GHC emissions was 0.40, meaning that more than 40% of companies disclosed information related to these matters. The lowest scores were assigned to the items which were not covered in the national reporting legislation: impacts on health and safety (0.35), use of renewable energy (0.10), use of non-renewable energy (0.25), actions taken to ensure gender equality (0.35) and prevention of human rights abuses, instruments to fight corruption and bribery (0.35). Their disclosure may be related with the companies' search for legitimacy or with the firms' characteristics.

Given the above considerations, it can be inferred that the reporting practices of Romanian companies included in the sample are shaped mainly by the national legislation, but they also display evidence of significant influences from the voluntary CSR reporting system. However, the fact that only two of the analysed reporting items (not covered by national legislation) were assimilated into the reporting practices of more than half of the companies in the sample suggests that, in Romania, voluntary CSR reporting is still in its initial stages of development. Therefore, coercive isomorphism was positively identified as the main mechanism behind the adoption of CSR practices in Romania. This leads us to the idea that the Romanian companies are not active stakeholders in the implementation of the CSR reporting practices.

In order to determine to what degree the adoption of CSR practices can be attributed to mimetic isomorphism, a more in-depth analysis was performed, by correlating the score assigned to each company with the information about the sector in which each company activates. Out of the 20 reporting items from the European Directive we studied, nine can be considered as legislation-driven (seven by the CNVM regulation and two by other specific legislation regarding water and health & safety at work). 11 items are not covered by the legislation and therefore reporting on these issues can be attributed to other influences. Three scores can be determined for each company: a global score, a score for legislation-driven disclosures, and a score for voluntary disclosures, by adding up the 0/1 values assigned to each reporting item. We were able to make the following observations, based on the information in Table 3.

Based on the scoring system presented above, we noticed that the best reporters in terms of voluntary items activate in three industries: oil and gas (three companies, both in production and distribution), electricity (two companies), and automobiles and parts (one company). Also, it can be noticed that the oil and gas and electricity industries are the best reporters (globally and also in terms of voluntary information), and also the best represented two industries in the sample.

Table 3. Disclosures: legislation-driven and voluntary

Companies	Sector	Disclosure score		
		Global	Legislation-driven	Voluntary
OMV	Oil and gas producers	20	9	11
TRANSLECTRICA	Electricity	18	9	9
NUCLEARELECTRICA	Electricity	16	9	7
COMPA	Automobiles & Parts	15	9	6
CONPET	Oil Equipment. Services & Distribution	14	7	7
ROMGAZ	Oil and gas producers	14	7	7
ANTIBIOTICE	Pharmaceuticals and biotechnology	13	8	5
TRANSGAZ	Oil Equipment. Services & Distribution	13	9	4
ZENTIVA	Pharmaceuticals & biotechnology	11	8	3
ROMCARBON	General industrials	11	6	5
VRANCART	Forestry & Paper	11	8	3
ELECTRICA	Electricity	11	8	3
ARTEGO	Construction & Materials	11	7	4
AEROSTAR	Aerospace & Defence	10	8	2
OIL TERMINAL	Oil Equipment. Services & Distribution	9	8	1
ELECTROARGES	Electronic & electrical equipment	8	6	2
ROPHARMA	Food & Drug Retailers	6	4	2
ELECTROMAGNETICA	Electronic & electrical equipment	6	6	0
ALTUR	Automobiles & Parts	5	5	0
ALBALACT	Food producers	3	3	0

This suggests a manifestation of mimetic isomorphism. However, the small size of the sample does not yet allow for our conclusions to be generalized. We triangulated the data extracted from the sample with information from the GRI database and from specialized CSR websites in Romania. In this case, the companies under consideration are not required by the legislation to provide CSR information. Therefore, they illustrate the voluntary CSR-oriented behaviour and reporting practices in Romania, meaning they are active stakeholders who engage in proactive actions.

The information in the GRI database was consulted for the years 2014 and 2015. We found that less than 1% of the reports in the GRI database originated from Romanian companies (7 in 2014 and 6 in 2015), and none of them from companies in our sample. The information is synthesized in Table 4.

Table 4. Romanian corporate reports in the GRI database

	2014	2015
No. of reports in GRI database	5,362	5,006
No. of reports from Romanian companies	7 (0.13%)	6 (0.12%)

From Table 4 it can be noticed that the companies have different profiles from those included in the sample described above, in terms of sector and organization type. Most Romanian GRI reporters are multinational companies, visible on the consumer market. Their presence in the GRI database can be attributed to the influence of group-level reporting practices (which can be a form of mimetic isomorphism) and marketing strategy. With the exception of two reporters (Heineken and Raiffeisen Bank), companies did not submit consecutive reports to the GRI database. The GRI reporters in Romania are also present on the *csrmedia.ro* portal (eight companies out of 11). Of the 20 companies in the initial sample of 20 companies, only two (OMV and Romgaz) were mentioned on *csrmedia.ro*, OMV being included in the list of CSR Leaders.

There is an apparent lack of correlation between the sample of companies which are required by the Romanian legislation to make CSR-related disclosures in their management commentary and the companies which are actively engaging in CSR initiatives (reporting and otherwise). This leads to the conclusion that the CSR-related legislative requirements did not target the most active stakeholders in the business environment, and also that a significant amount of current CSR-related practices rely on voluntary mechanisms. Therefore, evidence was found to support the manifestation of coercive isomorphism. However, it can be considered that this mechanism does not cover all CSR-aware companies, since the most active companies in terms of CSR-behaviour and marketing communications are not incentivized or required to report on the matter.

5.3 Academic environment

The quality and development of CSR reporting widely depends on the specific knowledge of its preparers. The development of trained professionals is regarded as a consequence of institutionalization of CSR practices (Albu *et al.*, 2011a). Hence, what we investigate next is the extent to which the academic education in Romania provides students with the skills and knowledge required for CSR reporting. We firstly determined whether the academic curriculum includes CSR-related topics and then we investigated at what stage in their education process are the students exposed to CSR related information.

We analysed the most recent curricula and syllabi available on the websites of all bachelor and master programs run by the economics and business faculties of the largest four university centres from Romania: Bucharest, Iași, Cluj and Timișoara. The investigation included information from the bachelor programs with a duration of three years (46 programs) and master programs with a duration of two years (179 programs), starting in the 2014 and 2015 academic years. Our primary goal was to take stock of all disciplines that provide specific knowledge and skills required by the CSR communication. We then selected those relevant disciplines that were most frequently included in the curriculums and investigated the delivered content, based on their syllabus, in order to gain an overview of the information provided to the students.

The knowledge provided by the disciplines included in the curriculum was considered to be CSR-relevant if it was associated to the social or the environmental pillar of sustainability, or if it approached the sustainability issue in an integrated manner. We considered being relevant for the CSR reporting those disciplines which:

- build the basic understanding of sustainability issues; or
- provide knowledge with regard to social responsibility/sustainability core disciplines, or
- develop skills of responsible corporate communication; or
- support a responsible corporate behaviour.

Based on this rationale, we associated the relevant disciplines to several general topics, like: people (as the social pillar), planet (as the environmental pillar), ethics, sustainable development/CSR, communication, knowledge management. Subsequent to their identification, we investigated the distribution of the relevant disciplines on the duration of the bachelor and master programs. Our goal was to determine the prerequisites in terms of curriculum and skills, as established by the architects of the respective curricula. Thirdly, we followed the facultative, optional (elective) or mandatory character of the considered disciplines, gaining an overview on the perceived imperativeness of these disciplines in the students' education.

In light of the above, we remark that the educational offer of the four considered universities includes not only single CSR-relevant disciplines, but also certain CSR-relevant bachelor and master programs (e.g. the bachelor study program *Agri-food and environmental economics*, or the master study programs *Ecological economics*, *Environmental economics*, *Sustainable regional development*, *Human resources management*). As a general observation, we mention the fact that the social responsibility concept is approached in the bachelor and master curricula either as a stand-alone item, or associated to the ethics concept. We identified 298 CSR-related schedule entries, out of which 120 were found in the bachelor and 178 in the master curriculum, respectively. By CSR-related schedule entry we understand the inclusion of a CSR related discipline (as above described) in the

schedule of a study program. Therefore, the academic environment contributes to the institutionalization of CSR practices in a significant manner, which is an important prerequisite for the institutionalization of CSR practices. However, the results indicate that students are less exposed to CSR-related information as they progress toward their status as accounting professionals.

Out of the total number of 46 surveyed **bachelor study programs**, we found 22 programs whose curriculum included at least one CSR relevant discipline, and a total number of distinct CSR relevant disciplines of 63. Among these, the best represented topic was *People*, as presented in Table 5.

Table 5. CSR-related topics in bachelor programs

Topic	No. of disciplines	Selection of disciplines
People	29	Human resources management, Motivational management, Social economics, Social entrepreneurship, Labour law, Employee rights, Sociology
Environment	16	Environmental economics, Environmental policy, Environmental communication, Environmental audit, Eco-marketing, Environmental information management, Waste management
Ethics	7	Business ethics, Professional deontology, Accounting deontology, Ethics in marketing
Communication	6	Communication deontology, Corporate communication, Communication strategies and techniques in economics
Sustainable development	5	Integrated sustainable development, Sustainable development strategies, Sustainable development and economic dynamics

Out of the total number of 120 schedule entries for the bachelor programs, 58.33% have an optional character, while the remaining 41.67% are mandatory. CSR-relevant disciplines are most often scheduled in the last study year (56.66%), followed by the second year, with 37.50%. The first study year takes over merely 5.84% of the CSR relevant schedule entries, which refer mainly to the discipline *Business ethics*.

The most frequently scheduled CSR-relevant disciplines for bachelor programs are *Business ethics* (included in the curriculum of 24 study programs, from 3 university centres), *Environmental economics* (8 programs, from 2 universities), *Human resources management* (12 programs, from all 4 universities) and *Sociology* (5 study programs, from 2 universities).

Based on the syllabus analysis, we find that *Business ethics*, as one of the main CSR-related disciplines in the bachelor curriculum is concerned with individual and corporate morality, the explanation and illustration of the main concepts and

theories with regard to the ethics in business and, more specific, with the ethical aspects of the working relations (discrimination, harassment, good practices), as well as with issues like corruption and CSR. *Environmental economics* is focused on concepts like environmental assessment, ecological equilibrium, global environmental state, environmental conscience, eco-marketing, environmental accounting, environmental performance indicators or environmental externalities. *Human resources management*, as a bachelor discipline, provides information on basic labour issues, like HR recruitment, development, rewarding, motivation, while *Sociology* approaches the individual in the wider context of the social organization.

Regarding the **master programs**, we identified 69 distinct programs with at least one CSR-relevant disciplines included in the curriculum, out of the total number of 179 surveyed programs. The number of different disciplines supporting the preparation of the CSR report is 121, whereas these can be found also within highly technical study programs, like *Accounting expertise and auditing*, or *Taxation*. The information about the disciplines included in the master programs curricula is presented in Table 6.

Table 6. CSR-related topics in master programs

Topic	No. of disciplines	Selection of disciplines
People	42	Human resources management and coaching, Organizational and consumer behaviour, Career management, Labour psychology, Talent management, Conflict management and social dialogue
Environment	38	Natural capital valuation, Ecological impact valuation, Ecological risk management, Renewable energy and climate change, Social responsibility and environmental reporting, Environmental pollution prevention, Environmental law
Ethics	17	Governance, risk and ethics, Business ethics and social responsibility, Culture, ethics and social responsibility, Professional ethics and deontology
CSR/ Sustainable development	15	Sustainable development and corporate social responsibility, Financial reporting, globalization and sustainable development, Sustainable economic growth, Corporate strategy and social responsibility, Sustainable development and economic progress
Communication	6	Integrated reporting, Organizational communication, Organizational behaviour and communication, Critical reading of corporate discourse
Knowledge management	3	Knowledge management, Knowledge management in organizations, Knowledge and information management

It was further noticed that most CSR relevant disciplines from the curriculum of the master programs (nearly 80%) have a mandatory character. The distribution on study years is balanced: 55.61% in the first year of studies, and 44.39% in the second year.

We noticed a general higher diversity of CSR-related disciplines in master programs as compared to bachelor programs, which means that the same discipline is not encountered in the curriculum of different master programs, as often as in the case of bachelor programs. This is justified by the master programs' higher degree of specialization. However, remarkably high frequencies are associated to *Business ethics* (included in the curriculum of 7 master study programs, at 2 university centres), *Business ethics and social responsibility* (6 programs, at 2 universities), *Organizational behaviour* (8 programs, at 3 universities) and *Organizational communication* (5 programs, however at the same university).

According to its syllabus, *Business ethics and social responsibility* aims to a pluralistic vision of work, life and honourable business, encouraging students to show an ethical behaviour in business. The discipline explains concepts like CSR and business ethics, shows the role of the management in integrating CSR into the organization, debates the CSR impact on the financial and social performance of the organization and presents the main standards on the CSR definition, implementation and assessment. *Organizational behaviour* focuses on attitudes and behaviours of individuals and groups in organizations, oriented to attaining a successful economic activity in a balanced organizational climate and therefore debates issues like work satisfaction, leadership or stress management.

Specifically related to accounting programs, the only mandatory CSR-relevant disciplines included in the curriculum at bachelor level are *Business ethics* and *Accounting deontology*. Students can however choose to also study *HR Management*, *Total quality management* (with the variant *Quality processes management*), *Sociology* (with the variant *Economic sociology*), or *Accounting in agriculture and environmental protection*. At master level, the mandatory schedule entries are prevailing (i.e. *Integrated reporting*). Most disciplines are associated with Ethics, such as *Accounting doctrine and professional deontology*, *Deontology and social responsibility*, or *Governance, risks and ethics*. The environmental pillar is represented by the *Environmental accounting* and *Environmental accounting and auditing*, while the social pillar is approached within *Strategic human resources management*, or *Business psychology and organizational behaviour*.

We notice that university curricula provide students with information which can be later employed in CSR reporting. The surveyed programs deliver knowledge with regard to social responsibility/sustainability core disciplines, develop skills of responsible corporate communication, or support a responsible corporate behaviour. The amount of information delivered to students differs based on the

specific content of each study program. The most frequently approached topic, both at bachelor and at master level, is *People* (however with focus on the management of the own employees). Differences between the two cycles reside in the character of the CSR relevant disciplines (mostly optional at bachelor, mostly mandatory at master level), as well as in the distribution of the considered disciplines among the study years (rather at the end of the study period at bachelor, balanced between the two years at master level). A remarkably frequent entry, at both bachelor and master level, is *Business ethics*, meant not only to deliver specific knowledge but, according to its syllabus, also build a responsible behaviour in business.

5.4 Professional bodies

Professional bodies play an essential role in promoting CSR concepts, as they exert a significant influence on the role played and attitudes shown by their members.

The main Romanian professional bodies in the field of accounting (i.e. CECCAR and CAFR) are registered as members of the International Federation of Accountants (IFAC). As such, they follow the strategies and guidelines of the international body.

IFAC's concerns on sustainability matters are synthesized in the *Sustainability Framework*. Essentially, the IFAC Sustainability Framework supports the role of the accounting professionals as "creators, enablers, preservers, and reporters of sustainable value for their organizations" and places a particular emphasis on the role that accountants should play within the organisation. Following the recently increased preoccupations with integrated reporting, the second version of the Sustainability Framework emphasizes the matter of integrating social and environmental issues in the corporate reporting, thereby improving the communication with the stakeholders and providing an integrated view over the environmental, social and financial performance.

Additionally, representatives of CECCAR constantly attend the meetings of the working groups of the Fédération des Experts Comptables Européens (FEE). In this context, they were involved in debates on the framework of integrated reporting, issued by the International Integrated Reporting Council (IIRC), on the GRI guidelines for sustainability reporting, as well as on the initiatives of the EU Member States with regard to sustainability and corporate social responsibility. Events on the matter of concern are further promoted, e.g. the Association of the Young Expert Accountants of Romania disseminated in 2013 information on the conference "European CSR Lessons".

Both CECCAR and CAFR pay increased attention to the ethical issues associated to the accounting profession. In this line, they adopted the IFAC Code of Ethics for

professional accountants and included lectures on ethics and professional deontology in the continuing education programs.

In the context of the continuing education programs run by CECCAR and CAFR, it must however be mentioned that the training is focused on financial reporting, taxation, auditing standards, professional deontology, control and auditing of the European funds. The training curriculum does not include integrated reporting and no action is taken to capture the attention of accounting professionals on topics related with CSR. In conclusion, neither CECCAR, nor CAFR support accountants in developing a holistic view on the organizational reporting issues, though the websites of both professional bodies disclose information on international concerns on CSR.

A third professional organisation with a significant impact among accounting professionals from Romania is ACCA, which has played an active role in the debates on corporate social and environmental responsibility since their initial stage. The ACCA involvement in the matter of interest consisted in the organisation of conferences or meetings, as well as in the development of projects meant to emphasize the size of this phenomenon. In this context, we mention the ACCA publications from 2013 (*The Big Picture: How the Environment Influences Corporate Profit*) and 2014 (*The Changing Role of Business in Society*. Ashridge Best MBA Essay Award 2004). ACCA is concerned with promoting not only the CSR concepts among accounting professionals, but also a way of thinking oriented towards integrating environmental, ethical and social issues in the actions taken by organizations.

Sustainability/CSR issues are also embedded in the ACCA professional qualification requirements, as the ACCA student is acquainted with the CSR concept and encouraged to reflect on the manner in which the environment influences or restricts the corporate actions from the very first level (F1). The knowledge that has been acquired for the first paper is then subsequently developed throughout the entire learning process (for instance, in the papers F5, F7, P1, P2). ACCA pays a special attention to ethical, social and environmental issues, shown in the structure of the P1 exam Governance, Risk and Ethics, which includes two CSR related objectives, i.e. *Describe and analyse the variables determining the cultural context of ethics and corporate social responsibility (CSR)*, and starting with June 2015, also *Explain and evaluate the concepts of 'CSR strategy' and 'strategic CSR'*. ACCA developed a competency framework based on employer research matching competences which are most prominent within the integrated reporting framework: corporate reporting, strategy and innovation, sustainable management accounting, governance, risk and control, stakeholder relationship management (Owen, 2013).

We notice that the initiatives of the Romanian professional bodies in the field of CSR reporting consist merely in the regular provision of information on the activities of European and international bodies, with no coherent training program of the accounting professionals in the matter of interest.

5.5 Big Four firms

The subsidiaries of the Big Four firms operating in Romania drive the development of the CSR reporting in several ways. They incorporate in their reporting process the best international CSR practices. Their expertise is transferred into their clients' reporting through the rendered services.

The Big Four companies offer prizes for the sustainability reports. Deloitte Romania, for instance, launched in October 2015 the competition Green Frog Award. The purpose is to appreciate the best sustainability reports of the companies located in Central and South Eastern Europe. The representatives of Deloitte consider this a good way for the companies to prepare for the implementation of the ED 2014/95/EU and to attract investors.

Through the research studies they publish, the Big Four companies contribute to the knowledge of the CSR reporting status in Romania nowadays. For instance, according to Deloitte (2014) 58% of the managers of the administrative councils of the Romanian companies focus on strategy and performance. Other aspects which interest the Romanian managers are the executives' remuneration, the global financial crisis, anti-corruption and anti-fraud activities. Yet, none of the Romanian executives questioned is interested in talent, succession at company's management, competition and environment. The Romanian managers are interested in the diversity of the administrative councils in a smaller number than the European ones.

The study "CSR Tendencies and Realities in Romania" (EY, 2015) shows that 17% of the Romanian managers associate the CSR with business ethics. For 10% of the managers CSR means interactions with the stakeholders. The companies of only 69% of the respondents get involved in CSR projects in 2014. For most of them, CSR is part of the public relations strategy (66%) or brings recognition and visibility (64%). In 51% of the cases the CSR budgets are represented by the amounts which are deductible from the budget. The companies get involve in CSR programs related with education (69%), social issues (62%), health (54%) and less with the environment (35%). In 55% of the companies it is probable to be prepared a CSR report in the next period.

The KPMG Survey of Corporate Responsibility Reporting 2015 reaches the conclusion that formal requirements drive high growth in corporate responsibility reporting. In Romania, for instance, about 70% of the N100 companies prepared a CSR report in 2015 (the global average is 73%).

5.6 NGOs

In the context of the NGO involvement in CSR and sustainable development matters, our intention was to identify the CSR preoccupations among NGOs registered in Romania, and to perform a brief content analysis of such concerns.

We started by measuring the CSR-oriented non-governmental segment, i.e. by identifying the NGOs focused on promoting sustainability as such, or sustainability relevant topics, in the total number of NGOs registered in Romania. We then analysed the content of the sustainability concerns expressed by Romanian NGOs. More specifically, we surveyed the content of the most popular specific websites (i.e. content relevant and frequently accessed) as indicated by four different search engines (i.e. Google, Dogpile Web Search, Bing and Ask.com), based on four key search terms: NGO, CSR, sustainability, Romania.

For determining the extent to which the activity of the NGOs registered in Romania is directed towards sustainability, we relied on data provided by the National NGO Register, i.e. the database of the non-profit organisations, available online and updated continuously by the Ministry of Justice. At the date of our inquiry, the register disclosed a total number of 74,681 associations, 17,978 foundations, 1,111 unions, 30 foreign legal non-governmental persons and 188 other organisations, that were not in dissolution or liquidation. For each entry in the register, a brief description of its area of operations or scope is provided. Investigating the area of operations showed that NGOs defined an extremely wide scope, ranging from sustainability-related concerns (in a broad sense), to punctual community-related issues. Therefore, no classification can be made in terms of CSR/sustainability based on the scope defined by the registered NGOs, since it is not specific enough to allow an identification of the most CSR-engaged organizations.

The survey of NGOs websites which were considered most relevant in terms of CSR (based on content and access) included nine websites, out of which two showed no updates in the last years (as latest news were dated 2012, and 2014, respectively). With regard to the main topic, we observed that six of the nine websites focused on CSR (www.responsabilitatesociala.ro, www.csr-romania.ro, www.comunitatedurabila.ro, www.srmagazine.ro, www.csrmedia.ro, www.csrreport.ro), two of the websites were meant to provide public interest information to the NGO sector, while including a CSR section (www.stiriong.ro and www.nonguvernamental.org) and finally the last website was an intermediation platform between companies and NGOs, interested in implementing CSR projects (<http://www.csrnest.ro>).

The main topics identified on the surveyed websites, relevant for the CSR concerns of NGOs, often concerned funding opportunities for sustainability projects implemented by NGOs. In addition, the websites:

- provide explanations of the main CSR/sustainability related concepts;
- provide links to the websites of CSR-relevant institutions and organisations (United Nations Global Compact, Organization for Economic Co-operation and Development (OECD), the portal of the European Union, CSR Europe, Business for social responsibility, International Business Leaders Forum, The World Business Council for Sustainable Development, Global Reporting Initiative, Corporate Register, AccountAbility, International Sustainability Reporting);
- point to CSR-relevant information sources (CSR Quest, CSR Wire);
- describe CSR projects implemented by companies; and/or
- include CSR-related interviews, articles, news, research, case studies, prizes etc.

There is a large number of NGOs which define CSR or sustainability as one of their core concerns; however, the amount of information available online does not reflect the same reality. This finding can be associated with the information provided in the “Companies” section, which showed that the companies registered on the www.responsabilitatesociala.ro as the most socially responsible companies are not necessarily the best CSR reporters. In terms of institutionalization, it indicates that CSR behaviour, CSR communication and CSR reporting were not assimilated in the same manner in corporate practice and that CSR-related regulations do not target CSR-aware companies.

6. Conclusions

Our study revealed that currently, in Romania, there is an ongoing development process of CSR policies and reporting practices which involves all the major stakeholders identified based on the literature. However, a general lack of coordination of their respective efforts was identified.

Specific to Romania and arguably to other EU Member States, the EU is a major CSR stakeholder. This is supported by our analysis of regulations in the field of CSR, which showed the high level of interest granted to the matter by the EU and the significant progress made in Romanian legislation in the last years. In line with other research, the government is the most influential stakeholder in Romania in relation with the CSR reporting. However, CSR policies and actions seem to attract more interest from Romanian legislators than CSR reporting. Another limitation of the CSR legislative framework is that current CSR reporting requirements target listed companies, which are not necessarily the most socially responsible. There is no regulation in force for the non-financial reporting of non-listed companies.

The analysis of the companies' reporting practices revealed that the mechanisms of coercive and mimetic isomorphism manifest rather separately, than concurrently. In Romania there are two different types of companies in terms of CSR. On the one hand, companies who are required by legislation to make CSR-related disclosures do not display significant interest in developing their reporting practices outside the legislative requirements. Moreover, their reporting practices are oriented toward complying with legislation and the disclosures explicitly refer to this aspect. Meanwhile, the companies which engage in CSR initiatives are not targeted by legislation, their efforts being driven by legitimacy claims. We believe that additional legislative provisions or expanding the scope of current legislation are needed, to target the proactive stakeholders in the business environment, by providing a more inclusive reporting community in which companies to develop their CSR reporting practices.

Education plays an important role in the institutionalization process. We determined that the Romanian higher education makes a significant contribution, by including CSR-relevant subjects as part of bachelor and master programs, which decrease in diversity and complexity as the educational process advances. This reality can partially be attributed to the interest shown by the academic environment to the topic of CSR, which preceded the interest of regulatory bodies and companies and was consequently transferred into the educational process. The literature review revealed the fact that Romanian researchers developed a significant amount of CSR studies, but more research was based on data from foreign companies than domestic ones.

However, the CSR education provided in universities is not complemented by the efforts of the Romanian professional bodies in the field of accounting and audit. By analysing the activities of these organizations, we noticed contrasting attitudes in terms of institutionalization of CSR reporting practices: on the one hand, the active participation in international debates on the matter; on the other, the lack of involvement in the training of professionals specialized in CSR reporting. This does not support the hypothesis that the practice of CSR reporting is institutionalized in Romania and leads us to the conclusion that there is no evidence of normative isomorphism.

Meanwhile, the ACCA involvement in the training of Romanian accounting professionals indicates that there is a different mechanism of institutionalization for CSR reporting practices than for other accounting and reporting issues. In addition to the ACCA, another important stakeholder with major contributions to the institutionalization of CSR in Romania is the group of Big Four companies. Their involvement consists mainly of promoting the concepts locally, through their own culture. Also, by the services provided to their respective clients, these companies support the coercive and mimetic isomorphism.

We also noticed a general lack of focus in the NGOs segment. In Romania, a large number of NGOs define CSR or sustainability as one of their core concerns. However, the amount of information available online does not reflect the same reality. While there are some recognized NGOs who engage in promoting the concept via their websites and initiatives, their number is significantly lower than the number of NGOs who declared CSR as a core concern upon their establishment.

Overall, in terms of institutionalization, our findings indicate that, in Romania, CSR behaviour, CSR communication and CSR reporting were not assimilated in the same manner into corporate practice and that CSR-related regulations do not necessarily target CSR-aware companies. Moreover, while most stakeholders make significant contributions to the institutionalization of CSR-related practices, there are still needed efforts in terms of coordinating their efforts, as well as a more active involvement from the part of the accounting and audit professional organizations.

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