

Dierkes, Meinolf

**Working Paper — Digitized Version**

## Corporate social reporting: From a theoretical concept to regular business information? Some thoughts on recent developments in Germany

WZB Discussion Paper, No. IIUG pre II 77-2b

**Provided in Cooperation with:**

WZB Berlin Social Science Center

*Suggested Citation:* Dierkes, Meinolf (1977) : Corporate social reporting: From a theoretical concept to regular business information? Some thoughts on recent developments in Germany, WZB Discussion Paper, No. IIUG pre II 77-2b, Wissenschaftszentrum Berlin (WZB), Berlin

This Version is available at:

<https://hdl.handle.net/10419/82967>

**Standard-Nutzungsbedingungen:**

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

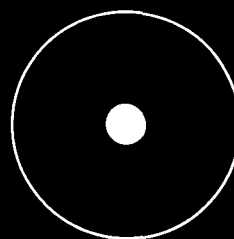
**Terms of use:**

*Documents in EconStor may be saved and copied for your personal and scholarly purposes.*

*You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.*

*If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.*

Wissenschaftszentrum



Berlin

CORPORATE SOCIAL REPORTING -

FROM A THEORETICAL CONCEPT TO REGULAR  
BUSINESS INFORMATION ?

- Some thoughts on recent developments  
in Germany -

by

Meinolf Dierkes

Internationales  
Institut  
für  
Umwelt  
und  
Gesellschaft

International  
Institute  
for Environment  
and  
Society

IIUG preprints

## THE INTERNATIONAL INSTITUTE FOR ENVIRONMENT AND SOCIETY

SCIENCE CENTER BERLIN

---

The International Institute for Environment and Society (IIUG) of the Science Center Berlin (WZB) is to contribute to the improved understanding of important social and behavioural dimensions of environmental problems. Specifically the goal of the institute is, through international research, to advance the knowledge of assumptions, alternatives, and interactions of environmental goals and programmes.

To accomplish this, the Institute is undertaking applied and basic research in the following eight areas:

- o Environmental awareness: diffusion, development and political salience
- o Environmental impact of consumer behaviour
- o Environmental quality: indicators and standards
- o Environmental policy: instruments, institutions, and implementation
- o Environmental quality and other societal goals: harmony and conflict
- o Business activity and the environment
- o International interests and interactions in environmental policy
- o Impact of new technologies on environmental quality

### Relationship of this Paper to the Institute's Program

This paper, "Corporate Social Reporting - From a Theoretical Concept to Regular Business Information?", contributes to the IIES program: Environment and Business. In pursuing work in business environmental reporting, IIES researchers have found it advantageous to work together with firms on the somewhat more broadly defined topic of corporate social reporting. This article grew out of experience gained in this research.

## ABSTRACT

Corporate Social Reporting - from a Theoretical  
Concept to Regular Business Information ?

- Some thoughts on recent developments in Germany -

The paper reviews European developments in corporate social reporting, with special emphasis on the West German experience. Approaches to social reporting being used by German businesses are described, and results of an extensive survey on socially relevant activities of German businesses are presented. References are made to literature and activities in England, France, the Netherlands, West Germany, and the European Economic Community.

## ZUSAMMENFASSUNG

Sozialbilanzen: vom theoretischen Konzept zur regulären Unternehmensinformation

- Einige Gedanken zur neueren Entwicklung -

Der Artikel gibt einen Überblick über die Entwicklung von Sozialbilanzen in Europa mit besonderer Berücksichtigung der Erfahrungen in der BRD. Er beschreibt Sozialbilanzkonzepte, die von Wissenschaftlern des Instituts zusammen mit deutschen Unternehmen entwickelt wurden, und stellt die Ergebnisse einer umfassenden Untersuchung des gesellschaftlichen Engagements deutscher Firmen vor. Der Artikel enthält außerdem Angaben über entsprechende Aktivitäten in England, Frankreich, den Niederlanden und auf der Ebene der Europäischen Gemeinschaft sowie Hinweise auf die einschlägige Literatur.

CORPORATE SOCIAL REPORTING - FROM A THEORETICAL CONCEPT TO  
REGULAR BUSINESS INFORMATION ?

- Some thoughts on recent developments in Germany -

Meinolf Dierkes

As a rule four years is not an adequate period for evaluating the development of a concept. On the other hand, it has repeatedly proven to be useful in research to look back after even relatively short periods to summarise what has been achieved, and to compare this with the stated objectives. Therefore, a critical examination of the progress made in the development of the reform redefining the role and tasks of the business corporation in society appears quite timely, both with respect to the overall concept and specifically to one of its key instruments--the development of appropriate information systems.

In Germany, one of the countries having a major political interest in the subject, the beginning of the discussion on social accounting as an instrument for defining and portraying the changing role and tasks of the business corporation in society can be traced back to the early 1970s. The first articles to appear were of a predominantly theoretical and analytical nature. Their main objective was to describe the initial achievements in the U.S. and to transpose them to the socio-political and cultural conditions in Europe (Dierkes 1972, 1973; Bartholomäi 1973; Eichhorn 1974). A first attempt to put these ideas into practice was the integrated social report of the STEAG company for the fiscal year 1971-1972. What was often considered at the time to be a purely academic exercise or a new toy for the public relations manager has meanwhile gone through a stage of intense discussion among researchers and business practitioners all over Europe. This discussion, which developed along similar lines to that in the U.S., gave rise to highly controversial ideas. As is evidenced by the plethora of publications, seminar reports, and papers, these ideas reflected the whole range of the

controversies about reforming the social and economic system of the western market oriented economies. This stage is in essence now behind us.

What has this debate produced? Does the fact that the discussion of the general desirability of corporate social accounting is subsiding indicate that after the usual issue-attention cycle has run its course these ideas are also receding into the background of discussion, as have the various concepts of 'management by...'? Does it point to a general feeling of frustration among those who did not see their inflated expectations realised over the short term, as was the case in the discussion of social indicators? Or is not this easing of the discussion of the necessity, desirability, tasks, and implications of social accounting rather an indication of the fact that the period of active work has begun? In other words, that both in research and in management attempts are now being made to apply and further develop what is practicable?

As someone who has been closely connected with the developments in the U.S. and in Europe over the past five years, the second hypothesis appears to me to best describe the present position. Needless to say, many of the high-flown demands expressed in the initial phase have not been met; nor is it likely that they will be met. The often-heard sceptical remark that social accounting might be predominantly an instrument of a wrongly conceived public relations strategy has not yet been stilled. And we must stress once again that the integrated system that meets every theoretical and practical demand has not been found and surely will not be in the near future. On the other hand, the extensive discussion of this subject clearly indicates that social accounting has become a part of the common procedures of many companies. In addition, scientists and practitioners have cooperated to produce systems which combine in an optimal manner the socio-political aspects of the discussion on social accounting with the practical requirements of management.

On what evidence is this assessment based? What recent developments in the experimentation with various forms of social accounting lend support to this view?

# 1. THE GROWING ROLE OF MANAGEMENT IN PROMOTING SOCIAL ACCOUNTING AND REPORTING CONCEPTS

Credit for the initial development of social accounting and reporting is mainly due to scientists who, in close cooperation with business, first proposed a plethora of theoretically conceivable approaches. Today, however, the discussion of the development of practicable systems is increasingly carried forward by management itself. A vast number of books and articles which cannot be listed in detail within the confines of the present survey demonstrates the active interest on the part of practitioners. Thus, for example, the standard book on the subject in France, Le bilan social de l'entreprise, (Chevalier, 1976), was written by a business manager who developed his concept jointly with a group of other managers and a number of management consultants in the Centre de Recherche et des Etudes des Chefs d'Entreprises. The same applies to a similar publication in Great Britain--Business, Survival, and Social Change (Hargreaves and Dauman, 1975)--and to the survey of recent developments in social reporting in the Federal Republic planned by E. Pieroth, a businessman and member of parliament. In addition, it is worth recording that the questions now in the foreground, namely standardisation, the possibilities and constraints of integrating social costs and benefits into specific reporting schemes, and the problems of measuring and describing social benefits, are being discussed in working groups primarily composed of business managers. These few examples suffice to make it clear that there is a very great willingness in the business community of various European countries to actively participate in the learning process. The extent of this interest is also particularly evident in the fact that various functional groups within companies as well as professional groups closely associated with corporate management are attempting to define their role



and tasks in a continuous reporting procedure. Thus, the German "PR-Magazin" of January 1976 and November 1976 featured the tasks of public relations experts, as well as other groups, in developing a system of social accounting. A further example from among many is the attention being addressed to the role and function of chartered accountants, who obviously will have a responsibility in auditing social reports (Wysocki, 1975; Pougin, 1976).

## 2. BUSINESS BEARS THE MAJOR RESPONSIBILITY FOR FURTHER EXPERIMENTS

The goal behind the experiments with various social accounting and reporting concepts developed by the research community is two-fold: They are designed to test the practicability of the measurement methods and of the techniques of integrating and presenting relevant information in a suitable reporting scheme. In addition, the experiments are also aimed at discovering the information needs of the various constituencies or "stakeholders" of a company with respect to the social impact of its activities. As noted above in reference to recent literature on the subject, the initiative in conducting the experiments has been assumed by the business community. The role of researchers has shifted from active advocacy to observation and advice.

The present state of experimentation with various approaches to social accounting in Europe can be basically characterised along the following lines:

The times when a company's social report was jotted down "on the back of an envelope" (Bauer, 1973, p.18) are gone forever. So, too, are the times of the lonely staff person who quickly pieces together a report based on what has been discussed at a more theoretical and conceptual level. Rather, what is typical of the present stage in development is the work of teams representing different functional sectors of the company and usually under the direction of the accounting or personnel department. It is equally worth noting that

integrated systems , such as those proposed in the initial stage of the primarily theoretical discussion, for example by C. Abt or D. Linowes, have not been taken over by industry. (For a description and criticism of these approaches, see Dierkes, 1974, p. 101 et seq.)

The difficulty of obtaining data and the present apparent impossibility of finding a common denominator to integrate such diverse information as indicators of job satisfaction and improvement in the quality of the environment have removed these approaches to a desirable, but, in the short and medium term, unattainable goal.

Business is at present pursuing three different systems in most experiments:

- a broadly-based and partially integrated social cost-benefit reporting system;
- in continental companies, an extension of the traditional social report; and most recently
- corporate goal or philosophy accounting/reporting.

The first group includes above all the social reports of STEAG and of the Saarbergwerke AG--the "classic" examples for Germany--which attempt to relate company expenditures to specific societal benefits. In the U.K. a similar, equally pioneering report was the Social Audit report on Avon Rubber as well as Urwich Orr's Responsibility Audit. A more broadly based and detailed version of this approach has been presented by the Pieroith vineyard company in its Annual Report 1975 and by BASF in its publication "Menschen--Arbeit--Geschäft '75--Social Report. However, the basic weaknesses of this system which became evident in the STEAG report (see Dierkes, 1974, p.78 et seq.) have not yet been eliminated. The particular merit of these approaches lies in their pioneering attempt to report both the damages and the benefits to society of company activities. Although detailed aspects of these approaches must be further refined, no significant progress can be expected until appropriate social indicators are available that contain agreed measurement and aggregation techniques.

The second system is the more cautious policy of a step-by-step approach, namely extending the classical social reports. The latter no longer concentrate entirely on relationships between the company and its employees but include to an increasing degree other societal aspects of corporate activities. Within the scope of this step-wise learning process, they attempt a description in quantitative terms of aspects on which there is a relatively high degree of agreement with respect both to indicators and their quantitative expression.

In view of the great amount of materials that exists it is not possible to provide a general survey of the developments in this direction. The reports of Rank Xerox GmbH, Bertelsmann AG, and Hoechst AG may serve as examples for many others. Even though various articles that deal critically with these approaches (e.g., Hesse, 1976) justifiably point out the gap which remains between the demands placed on social accounting and the information the above-mentioned reports are providing, it must be stressed that the policy of the "long march" guiding these approaches seems to be quite promising. They reveal the cautious extension of reporting into important social spheres; traditional as well as emerging new constituencies of the company are expressing increasing need for information about these areas and this system is responding in a manner that is adapted to the information behaviour of these groups.

A more fully developed strategy which I believe will be the most successful in the long run is the third concept mentioned above: the integration of the annual report and social reporting as was attempted for the first time by Deutsche Shell AG in its integrated Annual and Social Report 1975. This system, which has not been widely discussed yet in academic circles (an exception is the article by Most (1977) who considers the Shell report to represent the most advanced concept presently available, and recommends it as a model social report for Europe), can be described most appropriately as "goal or philosophy accounting and reporting". It is based on the consideration that companies with a sophisticated

management system have an elaborate set of corporate goals describing both the economic and societal tasks that the company has set for itself. This obviously suggests that the performance of such companies should be judged according to their own goals. Table 1 illustrates the philosophy behind this type of social accounting, using the example of Deutsche Shell AG; Table 2 contains the table of contents of the Shell Report, providing an overview of the way in which such reporting is done. In this kind of reporting the "classical" integrated social report (section 6) serves only to allocate company expenditure items to the appropriate sections of the report with respect to the individual corporate goals.

However, in order to develop this type of integrated economic and societal report, not only must a set of corporate goals exist, but the individual goals must also be made operational. In other words, they must be transformed into specific tasks for each performance period. It is unlikely that this has been achieved in every sphere of company activity and for all goals; appropriate data are not yet available. In general terms, however, this type of social accounting appears to be more comprehensive, more informative, and more convincing than the other approaches.

As regards external reporting, a particular advantage of the above approach is that the discussion is not centered on vague societal effects that are very difficult to put into operational terms. Instead, unambiguous goals are set--such as, for example, the reduction of emissions in different plants--and the company's performance is measured against these goals.

Besides these advantages of external reporting, an approach based on the concept of goal accounting also has internal aspects that offer many advantages: the performance of the individual sectors of the company must be defined in operational terms with respect both to its economic and its societal goals. Measuring actual achievements can then be done as a part of the compilation of the company's annual report.

TABLE 1: THE PHILOSOPHY BEHIND GOAL ACCOUNTING

- The example of Deutsche Shell AG -

The Goals of Shell's Corporate Policy

Every company in a free market must achieve a reasonable return on the capital that has been invested, to a large degree, at high risk. On the other hand, we are aware of our responsibility in a social market economy and, besides its purely economic activities, we see the company as a part of society, as the employer of those working for us, as a part of the whole. As long ago as 1974 we laid down in our principles of management the following five goals. Each carries the same weight but they do not always operate in the same direction:

- supplying the consumer on conditions determined by the market;
- developing new applications of techniques and products;
- achieving a reasonable return on investment;
- taking into account our employees' interests;
- paying regard to the general public welfare.

This overall objective explains why we have extended the Annual Report, which was in the main a report intended for the shareholders, to include a complete account of the degree to which all five of these corporate goals have been achieved.

Four of these five goals have more or less strong social accent. They deal in large part with what other companies publish under the rubric "social reporting". Last year we, too, greatly extended our social report to cover in detail our relations with employees and the environment. In some cases we supported this report with figures.

This year we have decided to dispense with a special section entitled "social report". Instead we shall describe our goals in the relevant sections and as far as possible will quantify the expenditures involved. At present we see hardly any possibility of measuring social benefits. We should nevertheless like to adapt to what has become customary and term this part of the Annual Report our "social report".

As a result, our former social report as well as the report on the major societal impact of our company activities forms an integral part of the Annual Report, just as our obligation towards society is part of our task as entrepreneurs.

(Excerpt from: Deutsche Shell AG, Geschäftsbericht/ Sozialbilanz 1975 (Annual Report/Social Report 1975), p.10) Unauthorised translation

# TABLE 2: THE CONCEPT OF GOAL ACCOUNTING -- SOCIAL REPORTING

- The example of Deutsche Shell AG -

<u>Table of Contents</u>	<u>Page</u>
1. Introduction	6
2. The framework of Shell's policy; general developments in the energy market	7-9
2.1 The policy of the OPEC countries	7
2.2 Impact on the German mineral oil market	7-8
2.3 The Federal Government's energy programme	8
2.4 Obligation to maintain minimum stock levels	8
2.5 Structural and business activity problems of the mineral oil industry	8
2.6 Special levies on domestic oil and natural gas production	9
2.7 Long-term aspects	9
3. The goals of Shell's corporate policy	10
4. The performance of Deutsche Shell AG	10-35
4.1 Supplying the consumer on conditions determined by the market	10-17
4.2 Development of new application techniques and products	18-19
4.3 Achieving a reasonable return on investment	20-22
4.4 Taking account of our employees' interests	23-29
4.5 Paying regard to the general public welfare	30-35
5. Explanations pertaining to the German Shareholders' Act	36-39
5.1 Explanations of the balance sheet	36-38
5.2 Explanations of the profit and loss account	39
6. Tables	39-45
6.1 Social accounts	39
6.2 Relations with investors	41
6.3 Account of performance	41
6.3 Balance sheet	43
6.5 Profit and loss statement	45

(Excerpt from: Deutsche Shell AG; op. cit., p.4) Unauthorised translation

Obviously, the Deutsche Shell AG 1975 Report does not contain everything that the concept of goal accounting considers to be possible and necessary. The available information was not sufficient for this purpose or could not be processed in time. However, in my opinion this report is a qualitative leap forward in the development of social accounting, and it has extended the discussion both of the content and the form of reporting by a promising variation.

### 3. EXTERNAL SURVEYS FOSTER THE WILLINGNESS TO EXPERIMENT

The scope of external surveys on the active role of companies in society will always be circumscribed by the fact that only those spheres can be studied for which it can be assumed that almost every company has the requisite data and that it will actually make the data available. In this respect, the broadly-based survey conducted by "manager magazin" in cooperation with the Foundation "Gesellschaft und Unternehmen" (Business and Society) (see "manager magazin", 1976) must be considered unique in the world. It goes far beyond earlier surveys done by the French magazine "L'Expansion" (L'Expansion, 1975, 1976). As a result of the great willingness on the part of the companies involved, this study provides a great deal of comparable information on the socially relevant activities of the companies studied.

What are the main general results?

Larger companies tend to be far more engaged in socially relevant activities measured in financial commitment. This holds true for nearly all areas of company-society relations, not only in total but also per employee or per DM-sales. For example, companies with a sales volume of more than a billion marks are spending more than four times as much on voluntary social expenditures per employee than small and medium sized companies.

Among the 11 industrial sectors, two are especially outstanding in nearly all of the areas under study: the chemicals

and petroleum industry and mining and energy. The multinational petroleum companies rate highest with respect to many social expenditures for employees.

The company-employee relationship seems to be the core of the socially oriented management policy: The share of total sales going to employee-related expenditures (salary, legally required expenditures, voluntary social expenditures for employees) increased 8% during the period 1970-74, mainly due to increases in voluntary social expenditures, safety-related costs and increases in salaries.

This concentration on the internal environment, the company-employee relationship, is even more obvious in one of the specific fields. During the five years under study, as an average the companies increased their expenditures for salary and salary-related costs 62%, for voluntary social expenditures 1 or 2%, for internal information 160% and for work safety 184%. At the same time, the number of accidents decreased 13%, the loss of work time due to accidents 36% which indicates that the investment in work safety proved to be achieving their objectives.

Though the per capita costs for training, education, and permanent learning increased 88% during the period under study, this sector still seems to be lagging behind expectations.

The percentage of trainees and apprentices increased between 1970-1974 at least at a rate of 13%, although they represent generally only 4% of the total employees. This is not sufficient to indicate a major commitment on the part of German industry to help solve the severe problem of youth unemployment and related social problems.

Female employees are still considered disadvantaged candidates for management. The percentage of women in management remained nearly constant at 1%. This is remarkable, since the total



percentage of management increased 18%.

German companies did not contribute to the important social goal of full employment: they reduced the number of staff persons 4.3% in the period under study.

On the average, companies are losing one out of eight work days due to illness and absenteeism, which is an indicator of severe problems of job satisfaction and of the general stress on the job and in the general lifestyle in German society.

The percentage of investments for environmental protection as part of total investment is planned to be increased until 1975 134%, compared to the period 1970-74. This high increase is basically due to adaptation to new legislation and a stagnation or even reduction in the total investment planned.

Less successful seems to be the development of a company energy policy aimed at reducing the use of resources. Despite the energy crisis and shrinking use of energy capacity, the percentage of energy costs of the total sales volume increased 11%, indicating that this is an area of company policy which should receive more attention in the future.

Philanthropic expenditures per employee rose 71%. At the same time, the amount of staff involvement in public affairs increased as well as the number of facilities for public and community affairs types of activities. Some concern should be expressed with respect to the projected R & D budget of the companies under study. Their preparedness to invest in future markets and products is definitely declining as indicated in this survey.

The survey brought a great deal to light, as is reflected in the opinions expressed by leading representatives of the government, the trade unions, and employer associations (see "manager magazin", 1976). The weakness revealed with respect

to corporate policies oriented towards societal needs have simply increased the interest of practitioners in social accounting. Above and beyond this, the continuation of such studies over a time series will probably also foster progress in the methodology of measuring various company activities relevant to society.

#### 4. RECOMMENDATIONS TO CONDUCT EXPERIMENTS AND DISCUSSIONS ABOUT STATUTORY OR QUASI-STATUTORY OBLIGATIONS REVEAL THE POLITICAL IMPORTANCE OF THE SUBJECT

Despite the fact that the "art" of social accounting is still in an embryonic stage, various institutions have decided to recommend to their members that they take an active interest in this development. Special mention should be made of the early, very specific and practical proposals of the trade associations of the chemical industry (VCI, 1975) and the recommendations of the Federal Association of Employer Associations in Germany (BDA, 1975). The publications of both these associations emphasize the importance of social accounting on the one hand, but on the other hand they stress the difficulties involved in putting this idea into practice. However, both recommendations clearly reveal a great willingness to be innovative. Further progress - which, of course, will be the deciding factor as regards the political importance of this idea - can be achieved only through broadly-based experiments. Going beyond recommendations of this kind are the proposals to make social accounting a statutory obligation. In this context special mention deserves to be made of the French report by the Sudreau Commission (Sudreau, 1975, page 53 et seq.) which proposes that social reporting should be made obligatory for companies with more than 300 employees. Similar ideas are being discussed in The Netherlands (Boogerd, 1976) and within the framework of the possibilities of creating a European Company Law (EEC, 1975).

This development is receiving more support and attention abroad than in the Federal Republic, where the attitude regarding the imposition of statutory obligations is more reserved.

Although the Federal Government's Commission on Company Law has already dealt with the questions involved (Küller, 1976, page 34), the concept of a statutory obligation is at present not under discussion, as Minister Walter Arendt stated at a press conference when the results of the "manager magazin" survey described above were presented.

The United States is pursuing a special development in this field. On court orders, the Securities and Exchange Commission (SEC) held public hearings at which experts were asked to express their views on the degree to which societal data in addition to financial data should be demanded by the Commission (see "Business Week", 1975). Data on adverse environmental impacts of manufacturing processes and on employee stress caused by their job environment were accorded particular attention. The opinion submitted by the Council for Economic Priorities discussed in great detail the needs for the reporting requirements of the Securities and Exchange Commission and recommended that they be expanded accordingly.

The introduction of statutory or quasi-statutory obligations is unlikely in the foreseeable future in any of the above-mentioned countries. Rather, it can be assumed that the external surveys together with the recommendations made by various trade associations will suffice for the time being to foster the experimentation that is necessary for further progress in theory and practice.

##### 5. GROWING AWARENESS OF IMPLEMENTATION PROBLEMS

The experiments in drawing up social accounting conducted by various companies and the implementation of a corporate policy oriented towards societal needs have raised numerous management questions. Practical experience is gradually helping to answer many of them. These questions include not only the delineation of staff/line responsibilities but also the elaboration of an optimal learning program for the whole organization. The book published by R. Acker-

mann and R.A. Bauer entitled "Corporate Social Responsiveness: The Modern Dilemma" contains a great number of case studies from the US which provide some initial assistance in learning from the positive and negative experience of others. A similar collection of studies on companies in Europe is to be published soon by the Foundation "Business and Society".

#### 6. TOWARD STANDARDISATION

The external surveys as well as the comparative studies done by various committees and groups have led to increasing standardisation of both individual indicators and of the overall reporting scheme. As already mentioned, a proposal on this aspect has been submitted by the trade association of the chemicals industry. The Foundation "Business and Society" will also publish a summary of work in this field before the end of the year. In addition, a great number of definitions have meanwhile met with general acceptance. The sub-division of reports into internal and external relations may be mentioned as one example of many such conventions that have developed in recent years.

#### 7. INCREASING PUBLICATION OF SPECIALIST LITERATURE

While the societal aspects of corporate policy have long found voice in "Business and Society Review", discussion of this topic in Europe has been widely scattered. In Germany, magazines like "manager magazin" and "Wirtschaftswoche" (an economic weekly) deal with the subject from time to time. The field has also been treated in individual articles and special issues of scientific magazines such as, for example, the "Zeitschrift für betriebswirtschaftliche Forschung und Praxis" (ZFuP, 1974) (Magazine for Business Management Research and Practice). The appearance of the international magazine "Accounting, Organizations, and Society" has provided a new forum for this discussion in Europe. Scientists and practitioners contribute reports both on theoretical and behavioural accounting.

#### 8. BROAD-BASED PROJECTS OF A LONG-TERM NATURE EXIST

It goes without saying that the active interest of companies in the field of social accounting is not sufficient alone to achieve what is necessary for the development of this model over the long term. Even the close cooperation between scientists and practitioners in practically every experiment in this field does not suffice for this purpose. Above and beyond these, there is a pressing need for basic research on the business corporation as a social institution and also on the development of indicators. To this end, basic research programs have been developed in various countries to complement the experiments that are directed to practical aspects of the subject. Particularly relevant examples of these efforts are the programs of the Social Research Council in England, "Social Responsibilities of Business", and in the Federal Republic of Germany the research by the Foundation "Business and Society" on corporate policy oriented towards societal needs. In addition, the internal development work being conducted by the Battelle Institute in Frankfurt and the research work being done at the International Institute for Environment and Society, Science Center Berlin, on "Business and Environment" both contribute in this direction. The close contact that exists between research groups working on long-term programs and those attempting to further knowledge at the practical level in industry in cooperation with individual companies should ensure a mutual exchange of information. Thus, development at the theoretical level and experience gained in the real world will probably proceed in coordination with each other to their mutual advantage.

#### 9. FURTHER LINES OF DEVELOPMENT HAVE ALREADY BEEN TRACED OUT

The various trends that have been outlined in this paper should give a clear answer to the questions posed at the beginning, namely: how far have we come in the discussion of social accounting, and is social accounting just a fad or is serious work being done?

The present situation is characterised above all by active interest in the subject on the part of both researchers and business practitioners. As regards the content, both the external surveys that have been conducted and the experiments carried out by numerous companies have clearly led to progress in methodology which, considering the brief history of efforts in the field, can be considered extremely satisfactory. In addition, the latest developments, particularly towards the integration of social and economic accounting, point to models that go even further and which promise to be quite successful. Further experimentation, particularly with the "goal accounting" approach, would appear at the present time to best meet the needs for internal and external information. The long-term research projects being undertaken in various countries, on the other hand will ensure that the overall objective behind the discussion of social accounting, namely reformulating the role and tasks of the business corporation in society, will not be forgotten in the face of the more technical questions of developing individual measurement techniques or accounting models. In summary, it appears that earlier expectations that in the future companies will record and analyse their social performance in the same way they report on their financial performance (Dierkes, 1974, page 69) are attainable., and it is clear that the joint efforts of scientists and practitioners have brought us several steps closer to realizing this objective.

## References

- 1) Ackermann, R., Bauer, R.A.: Corporate Social Responsiveness: The Modern Dilemma, Reston 1976
- 2) Bartolomäi, R.: Gesellschaftsbezogenes betriebliches Rechnungswesen. In: Die Neue Gesellschaft 4, 1973
- 3) Bauer, R.A.: The State of the Art of Social Auditing. In: Dierkes, M. and Bauer, R.A., Corporate Social Accounting, New York 1973, p.3 et seq.
- 4) Boogerd, P.M.: Social Responsibility of Business - The Dutch Experience. INSEAD, Fontainebleau 1976, unpublished manuscript
- 5) Bundesvereinigung der Deutschen Arbeitgeberverbände, Gesellschaftsbezogene Berichterstattung ("Sozialbilanz"), Arbeitsberichte des Ausschusses für soziale Betriebsgestaltung Nr. 37, Köln 1975
- 6) Business Week, Disclosing Social Data, April 14, 1975, p. 96
- 7) Chevalier, A.: Le bilan social de l'entreprise, Paris 1976
- 8) Council on Economic Priorities, Corporate Disclosure of Socially Significant Matters, Washington 1975 (mimeograph)
- 9) Deutsche Shell AG, Geschäftsbericht/Sozialbilanz
- 10) Dierkes, M.: Qualität des Lebens und unternehmerische Entscheidung. Vortragsmanuskript für die Tagung "Konsum und Qualität des Lebens", Mainz 20./21. 10.1972 (mimeograph)
- 11) Dierkes, M.: Quality of Life. In: Wirtschaftswoche Nr. 30, 27. Jahrg. 1973, p. 32 et seq.
- 13) EEC Study Group on the Management of Corporate Social Affairs, Henley, 1975, (mimeograph)
- 14) Eichhorn, P.: Grundlagen einer gemeinwirtschaftlichen Erfolgsrechnung für Unternehmen, Frankfurt - Köln 1974
- 15) Hargreaves, J., Dauman, A.: Business Survival and Social Change, London 1975
- 16) Hesse, J.: Sozialbilanz kann Image aufpolieren. In: Handelsblatt 4.8.1976
- 17) Küller, H.-D.: Gewerkschaftspolitik contra Sozialbilanz? In: PR-Magazin 1/1976, p. 34 et seq.
- 18) L'Expansion, L'Examen Social, Paris, April 1975, p. 75 et seq.
- 19) manager magazin, Sonderdruck "Enquete über das soziale Engagement der deutschen Industrie, Hamburg 1976
- 20) Most, K. Corporate Social Reporting--'Model' Report by Deutsche Shell, in The Accountant, Feb. 10, 1977, pp.164-67

- 21) Pougin, E.: Die Sozialverpflichtung des Wirtschaftsprüfers.  
In: Betriebswirtschaftliche Forschung und Praxis, 28. Jahrg.,  
März 1976, p. 93 et seq.
- 22) Sudreau, P.: La reforme de l'entreprise, Paris 1975
- 23) Verband der Chemischen Industrie e.V., Das Unternehmen in  
der Gesellschaft, Diskussionsbeitrag des Arbeitskreises  
"Das Unternehmen in der Gesellschaft" im Betriebswirtschaft-  
lichen Ausschuß. In: Der Betrieb, No. 5 31.1.1975
- 24) v. Wysocki, K.: Das Unternehmen in seiner Umwelt: Möglichkei-  
ten und Grenzen der Sozialbilanz. In: Bericht über die Fach-  
tagung 1974 des Instituts der Wirtschaftsprüfer in Deutsch-  
land e.V., Düsseldorf 1975, p. 201 et seq.
- 25) Zeitschrift für betriebswirtschaftliche Forschung und Praxis,  
No. 4, 1974