Alnoor Bhimani, Hanna Silvola, and Prabhu Sivabalan

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Voluntary Corporate Social Responsibility Reporting: A Study of Early and Late Reporter Motivations and Outcomes

ALNOOR BHIMANI
Department of Accounting
London School of Economics
Houghton Street
London, UK WC2A 2AE, United Kingdom
Tel: +44 20 7955 7329, Fax: +44 20 7955 7420
E-mail: a.bhimani@lse.ac.uk

HANNA SILVOLA*
Aalto University School of Business
Department of Accounting
Runeberginkatu 22-24
00100 Helsinki, Finland
Tel.: +358 (0)50 4017358
E-mail: hanna.silvola@aalto.fi

PRABHU SIVABALAN
University of Technology, Sydney
Accounting Discipline Group
UTS Business School
1 Quay Street, Haymarket NSW 2007, Australia
Tel.: +612 9514 3131
E-mail: prabhu.sivabalan@uts.edu.au

*Corresponding author

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ABSTRACT

Neo-institutional logics for the early adoption of innovations are often argued as more authentic than for late adopters. To what extent might this be so in relation to corporate social responsibility reporting (CSRR)? We specifically focus on neo-institutionalist perspectives with an emphasis on isomorphism (DiMaggio and Powell, 1983) to illustrate alternative motivations, and verify our hypotheses using a mixed methods approach (survey data and field evidence from five organizations). We find that the rationale for early reporters entails a financial pragmatism that is absent in current debates surrounding corporate social responsibility (CSR). We also show that normative and coercive isomorphism interplay among early adopters to drive their adoption decision over time, and these facilitate the generation of different strategic postures to placate key external stakeholders. This contrasts with prior studies that have mainly argued for mimetic and normative isomorphism to dominate the decision to implement CSRR amongst adopters. Finally, we argue that late reporters choose not to engage earlier as (ironically) their strategic proximity to the phenomena being reported is intrinsically close, meaning most internal and external stakeholders assume the proper functioning of the phenomena being reported, and therefore do not demand it. This rationale for mimetic isomorphism is unique and its narrative more positive than that normally ascribed to it in the prior literature. Firms are subsequently less inclined to opportunistically validate or signal their sustainability ethos using formal reporting systems, and only do so superficially to engage in practices similar to other organizations in their industry or broader economy as a norm.

INTRODUCTION

Balancing financial performance and corporate social responsibility (CSR) is a challenge for most enterprises. Companies inevitably marshal different logics for engaging in any reporting practice. Theoretical perspectives surrounding organizational motivations for corporate social responsibility reporting (CSRR) [1] are therefore varied, reflecting their different strategic rationales. We investigate these motivations for early reporters and later reporters, noting how they affect organizational outcomes associated with CSRR.

Further, there exists much literature regarding early versus late adopters in the innovation adoption literature. The logic surrounding the early adoption of innovations is often argued as being more authentic than that of the late adopter. To what extent might this be so in relation to CSR? We specifically focus on neo-institutionalist perspectives that illustrate alternative motivations, and verify our hypotheses using qualitative interview based data as well as survey evidence. We find that the theoretical rationale for early reporters reveals a financial pragmatism that is absent in current debates surrounding CSR. Companies leading in CSRR may not engage in sustainability practices as effectively, and companies lagging in CSRR may be conducting sustainability practices with greater depth than their CSR imitating counterparts. Traditional mimetic isomorphism subscribes that later adopters do so in order to adopt a less risky posture, following the paths trodden by contemporaries that assumed larger risks (DiMaggio and Powell 1983). We introduce alternative theoretical possibilities.

The Finnish corporate setting is ideal for purposes of studying voluntary CSRR. In 2013, CSR reports were published across a total of 180 countries, of which organizations in 130 countries considered CSR a mandatory reporting requirement (UNEP et al., 2013, p.9). In many of the 130 countries, only state-owned enterprises (e.g. India, Sweden), stock-listed companies (e.g. the UK) or large companies (e.g. Denmark) are required to report. An increase in mandatory sector-specific reporting, for the extractive, mining, and financial sectors seems apparent. Although a number of governments have stimulated this kind of disclosure directly or indirectly (see e.g. Kolk, 2003), corporate social responsibility reporting has been a mostly voluntary activity oriented at giving accounts of the societal and environmental implications of doing business to external stakeholders.

Our study is also motivated by the paucity of research on the consequences of corporate practices that purport to yield sustainability outcomes (Geva 2008). These impacts are difficult to identify as they arise indirectly and with an unspecified time lag that can span multiple years (Weber 2008). Motivated by the contrasting findings in the literature regarding CSRR motivations and their effects, we examine *which drivers motivate firms to engage in voluntary CSRR and how CSR engagement impacts these organizations*. To examine this, it is first essential to understand the initial motivation for CSRR and subsequently assess its consequences.

[1] In the previous literature, sustainability issues have been expressed by using various definitions (van Marrewijk, 2003). We use the term Corporate Social Responsibility (CSR) while the previous literature uses corporate sustainability, corporate social concern, corporate conscience, corporate citizenship and sustainable responsible business analogously. The principal intent of Corporate Social Responsibility Reporting (CSRR) is to provide information about the economic, environmental and social performance of an organization which aligns with the notion of triple bottom line reporting (see van Marrewijk, 2003; Hedberg and von Malmborg, 2003; Aras and Crowther, 2009; and Ballou, et al 2006, among others).

Our study is based on a mixed methods approach, combining a field study of five organizations and survey data combining questionnaire responses from eighty organizations. Interviews were undertaken at organizations completing the survey, with state-owned and other companies (listed and non-listed), a regulator, auditors and investors comprising the sample. We therefore provide quantitative evidence for our hypotheses and also qualitative data clarifying our survey findings.

Following is a review of the institutional context surrounding voluntary reporting and CSRR diffusion, including a brief consideration of broader diffusion theory and its implications for CSRR. We then present our hypotheses, research methods, findings, and finally conclude the paper with a discussion of the study's limitations and as well as suggestions for future research.

THE INSTITUTIONAL CONTEXT OF VOLUNTARY CSRR

Studies around voluntary reporting have yielded a host of motivations for the same. Within the financial reporting space, rationales for voluntary disclosures have been extensively studied, revealing the removal of information asymmetry as a key driver (Healy and Palepu 2001). By releasing information voluntarily, organizations placate key stakeholders, providing relevant information that influences the decision making processes of other stakeholders. In this way, reports might be generated in response to external stakeholder pressures, for example regulators, suppliers, customers and broader society (Sinclair-Desgagne and Gozlan 2003). Alternatively voluntary disclosure might be used as a signalling mechanism, indicating a firm with "nothing to hide", avoiding an adverse market reaction (Brammer and Pavelin, 2006) that might have eventuated from non-disclosure.

Since the publication of the first separate environmental reports in the 1980s, the number of companies that publish information on their environmental, social or sustainability policies and the impacts of CSR have increased substantially. In addition to the volume of CSR practices engaged in, there is a clear tendency to include more performance measures in reports, driven by demands to assess companies' results, rather than their policies (Kolk 2004). Furthermore, organizations now more extensively communicate their CSR efforts in the annual report, which increases accountants' input into this function. Compared to traditional financial reporting practices, CSRR is uniquely different in that companies discretionarily choose the indicators they want to publish and the extent to which these indicators are reported. Second, companies have choice in obtaining an assurance service from an outside company (usually a Big-4 Audit Company) to attest their sustainability practices, and frame the parameters for the extent of assurance work done (e.g. quantitative numbers only vs. all information in the report; numbers from home country only vs. numbers across the global organization). CSRR is therefore a largely voluntary practice, compared to the more rigorous and heavily regulated financial reporting in organizations.

Earlier studies have tried to understand why organizations undertake corporate social responsibility reporting and what drives them to report on sustainability for their stakeholders (Adams 2002; Bebbington et al. 2009). Within this stream of research, CSRR has been found to be one channel through which companies communicate their sustainable activities and developments to stakeholders (Kuisma et al. 2013). Earlier studies have also indicated that CSRR has been viewed as a company image issue and organizations have used it for advertisement and brand creation purposes (Branco and Rodrigues 2006; UN 2010; Bronn and Vidaver-Cohen 2009; Popoli 2011). It has been argued that this voluntary reporting activity follows an earlier trend of companies including environmental disclosures in their annual reports. This is an activity that has been seen as a way for companies to manage public impressions of the organization's operations to establish or maintain organizational legitimacy (Hedberg and von Malmborg 2003). We now discuss the varying attributes associated with early and late CSRR users, to better understand the motivations for CSRR adoption.

Early vs. late innovation adopters

Early adopters are traditionally thought to pursue a strategic position at the higher band of a risk-return relation (Tan 2001). These institutions seek to identify competitive advantage from accomplishing an activity that its competitors are unaware of or unwilling to partake in, with a view to saving costs or earning abnormal profits by leveraging an innovation that piques customer interest and raises the demand curve of the concerned firm. Early innovators might typically be organizations protecting their dominant position in a market (Chandy and Tellis 2000; Leifer 2000), with ample resources and sufficient scale to construct a portfolio of low, medium and high risk strategies. Early innovators might also be organizations striving to be the number one player, therefore taking a risk and adopting innovative behaviors to capture new markets prior to their larger or more profitable market leading competitors (O'Connor and DeMartino 2006).

Early innovators focus on providing a point of departure from the same activities offered by its competitors (Garcia and Calantone 2002). They intend to be seen as unique in their product/service offering, providing a non-duplicated offering that is perceived as valued by customers. Indeed, parallels have long been drawn between firms pursuing a differentiation strategy and the decision to conduct early, high risk radical innovations (Ettlie et al. 1984).

In addition to thwarting competitors, early innovators are sometimes forced to engage in an innovation owing to external pressures (Brammer and Pavelin 2006; Sheremata 2000). The engagement with CSRR allows for organizations to extract positive social capital (Jenkins and Yakovleva, 2006; Patten 1992) from key external parties such as customers, suppliers and regulators. The strong uptake of CSRR amongst mining companies globally is indicative of this rationale (Hamann and Kapelus, 2004). This consequently, and additionally, allows early reporters the possibility to construct self-reporting systems that seek to portray the organization's position in a positive light, as opposed to enforced regulatory environmental reporting systems that do otherwise (Cho and Patten, 2007; Patten, 2002).

Late innovation adopters, by contrast, adopt a lower risk perspective – cautiously noting an innovation's impact on the performance of related companies, prior to engaging with the innovation (Ali 1994). Late adopters therefore do not benefit from the returns accrued by an early adopter (Kapur 1995), as their adoption usually captures the residual customer market from a revenue perspective. From a cost perspective, however, late adopters might avoid the learning pitfalls of early adopters (Arndt 1967), not incurring the arguably greater learning costs associated to early adopters (Henderson 1993).

Late adopters also adopt an innovation in order to be seen to be maintaining the standards constructed by leading industry players. Their competitive advantage arises from their ability to execute an adoption at a level of efficiency and margin that at least matches their early adopting counterparts (Damanpour and Gopalakrishnan 2001). In doing so, late adopters might be more likely to engage in the same adoptions to satisfy the perceptions of key stakeholders (customers, suppliers, etc.) whose intention is that the late adopter engages with the innovation in question (Westphal et al. 1997). Finally, late adopters are generally proxied to be less aligned with the strategic attributes associated to the use of an innovation, owing to their decision not to adopt early.

Neo-Institutionalism and Innovation Adoption

Neo-institutionalism begins with the premise that organizational actions are driven by patterns of rationalised activity (Hasselbladh and Kallinikos, 2000), where socially desirable norms are translated into technical attributes that drive the way formal organizations work. Modern institutions comprise socially aligned practices that are "…thoroughly rationalized, and these rationalized elements act as myths giving rise to more formal organization" (Meyer and Rowan, 1977, p.345). We adopt a neo-institutional perspective as the domain theory for this study for several reasons. First, we consider the pressure imputed into organizations to report CSR as directly attributable to calls for the same from broader society, as often cited in management accounting research (Bebbington, et al 2008). Over the last decade and a half, CSRR has emerged as a critical practice in organizations globally (Jenkins and Yakovleva, 2006). As broader societal concern over the impacts of organizational endeavors have emerged (Stern Review, 2006; Thuiller, 2007), organizations have increasingly felt the pressure to respond to such concerns raised by key stakeholders like governments and customers by the provision of information on measures adopted to address these concerns (Kuisma et al. 2013). Research has also evidenced a different impact from this societally induced norm - some organizational studies have identified how the personal values of managers as shaped by external exposure (in society), drive their decision to conduct CSR (Hemingway and Maclagan, 2004). To the extent that CSRR arises from the acceptance of CSR as a socially desirable norm and therefore drives "rationalized activities" that shape modern organizations, we consider our study's findings to be amenable to conceptualisation within a neo-institutionalist lens.

Neo-institutionalist theorising has been widely used in prior sustainability focused studies (e.g. Jones 1999; Yin and Zhang 2012; Avetisyan and Ferrary, 2013; Eriksson-Zetterquist et al. 2005). A number of Nordic researchers have applied institutional theory to consider issues of organizational structure and processes (e.g. Brunsson and Olsen 1990; Czarniawska and Sevon 2003; Eriksson-Zetterquist et al., 2005; Johansson 2002; Granlund & Lukka, 1998; Stannegård, 2000). Institutional theory also finds growing conceptual presence in management accounting research (e.g. Burns and Scapens, 2000; Granlund and Lukka 1998)

The focus of this study on the motivation by organizations to report CSR also lends itself theoretically to isomorphism (Oliver, 1991). Isomorphism refers to multiple organizations exhibiting aligned characteristics (Oliver, 1988). Building upon DiMaggio and Powell (1983) as well as earlier works on isomorphism (Hawley, 1950; Hannah and Freeman, 1977; Meyer and Rowan, 1977), Oliver (1988) explains isomorphism as a "homogeneity among organizations in a population" (p.543). DiMaggio and Powell (1983) similarly ask "… why there is such startling homogeneity of organizational forms and practices" (p.148).

We focus on the three types of isomorphism identified in the literature as explained by DiMaggio and Powell (1983). These include *coercive*, *normative* and *mimetic* isomorphism motivations for innovation adopters. These three types of isomorphism were originally postulated to explain different rationales for the existence of aligned practices in different firms (DiMaggio and Powell, 1983). Each type provides an alternative theoretical rationale for organizational choice in the enactment of practices.

We question these underlying motivations for isomorphic behaviors by studying the reporting practices of early and late CSR adopters. To survive, organizations conform to social norms prevailing in the environment (DiMaggio and Powell 1983; Scott 1995) which drive institutional isomorphism, both structurally and procedurally, to gain organizational legitimacy (Suchman 1995).

Coercive isomorphism sources from the pressures imposed by external stakeholders, be they other corporations, end customers or broader society, on a firm concerned. Here, firms choose to adopt an innovation because they see no other way to appease key stakeholders. DiMaggio and Powell (1983), specifically refer to environmental reporting caused by governmental regulation as one such example. Coercive isomorphism can manifest as symbolic, superficial attempts by companies to placate these key interest groups (Verbruggen et al. 2011). Firms therefore engage in innovation adoption when coerced, as a means of maintaining perceptions of legitimacy. Normative isomorphism manifests when there exists a transfer of norms from one institution to another, typically by pressures brought to bear by professions (collections of knowledge and expertise that diffuse frameworks and methods for operating to organizations). The source institution for the commencement of a “norm” is typically crafted as an educational one (DiMaggio and Powell 1983). The proliferation of innovations via normative isomorphism thus manifest by the introduction of a new chief executive with learned ideas from her source professions, ideas put forward by management executives that bring with them a knowledge learned from professions, or the diffusion of ideas from professional bodies (such as the CPA professional accounting body). Normative isomorphism is bereft of external pressure, in the sense that organizations transition into these practices quite ubiquitously, without a sudden external pressure (Mizruchi and Fein 1999) such as regulatory changes.

Mimetic isomorphism manifests when organizations model themselves on other organizations (DiMaggio and Powell 1983). A key logic underpinning mimetic isomorphism is the assumption of risk, and low costs. The “borrowing” organization experiences uncertainty, and proceeds to mimic the innovation of a similar other organization that has seen success from an innovation. Consequently, mimetic isomorphism is often tied to uncertainty reduction. In industries, firms practicing mimetic isomorphism tend to be firms other than the first entrant into a market (Mizruchi et al. 1999).

Early/Late CSR Adoption

The neo-institutionalist view offers a lens for examining CSRR that arguably combines the different logics inherent in other theoretical perspectives. For example, the traditional economic rationalist view presented by Friedman (1970) views a corporation’s role as earning profits for owners, and in so doing, maximizing the value of the corporation. This view is limited to one of financial responsibility – the pursuit of maximum returns for principals. In such a model, CSR is regarded as a cost (Branco and Rodrigues 2006; Länsiluoto and Järvenpää 2008) that limits profit making. A second view consistent with stakeholder theory considers continuous growth as requiring investments in sustainability issues (Bramwell and Lane 1993). Stakeholder theory extends the corporate planning model to include external influences on corporate social responsibility decisions beyond the principal. These literatures broadly recognise the relationship between corporate responsibility and corporate reputation (Peloza 2006; Bebbington et al. 2008) and consequently produce a theoretical argument for company reporting about the expectations of different types of stakeholders beyond investors (Cheng et al. 2014), to include customers (Bhattacharya and Sen 2004), employees (Branco and Rodrigues 2006), and other non-governmental organizations (Eesley and Le-nox 2006).

While the economic rationalist perspective sees CSR reporting as a cost, and the stakeholder theory view considers it a necessary reporting mechanism to satisfy the needs of non-owner stakeholders, legitimacy theory suggests that organizations continually seek to enhance their perception amongst key players by conducting CSR, especially if it is considered as part of the boundaries and norms of their respective societies. CSR is therefore seen as a means for enhancing their legitimacy perception amongst customers and other key players (Suchman 1995). From a legitimacy theory perspective, a company will voluntarily report on activities if management perceives those activities as expected by the communities in which it operates (Deegan 2002; Deegan, Rankin and Tobin 2002; Cormier and Gordon 2001; O'Donovan 2002).

Therefore, companies sometimes perceive CSRR as an add-on cost, and may equally perceive sustainability as an opportunity for "green PR" in creating their eco-friendly image (Busco et al. 2010). That is, a means to boost sales through projecting a sustainable image and thus having a positive impact on their future financial performance. Moreover, it has been argued that the prevailing approaches to corporate responsibility are unnecessarily disconnected from strategy, and as a consequence, obscure opportunities for companies to produce societal benefits while retaining a competitive commercial advantage. Porter and Kramer (2006) claim that if corporations were to analyse their opportunities for social responsibility using the same frameworks which guide their core business choices, they would discover that CSR can be much more than a cost, a constraint, or a charitable deed – it can be a potent source of innovation and competitive advantage. Given that CSRR is the means through which CSR is communicated within and outside a firm, the neo-institutional lens we subscribe to with a focus on isomorphism allows for a sufficient and appropriate analysis of voluntary CSR practice.

Isomorphism and competitive strategy

The pressure for organizations to conform to social norms through CSRR manifests in isomorphic behaviors. Strategically, early adopters of an innovation do so in order to seek a competitive advantage, differentiating themselves from competitors (Chesbrough and Crowther, 2006). Why is this so? The early adopter of CSRR seeks to pioneer a practice to appease key stakeholders – to be seen as communicating information on a practice whose value is becoming apparent to a majority of society. By *differentiating* itself from competitors, the early adopter seeks competitive advantage. This pursuit of uniqueness strongly aligns to a differentiation strategy (Porter, 1980). Alternatively, the early adopter may seek this differentiation in order to placate the interests of regulatory authorities.

Late adopters, meanwhile, generally adopt a strategy of mimicry – copy others in order to be seen to be keeping up with current practices, for purposes of appeasing key stakeholders by engaging in a practice that is increasingly becoming a social norm. Mimetic isomorphism bears strong resemblance to such a rationale (DiMaggio and Powell, 1983). Owing to cost constraints, late adopters may well delay the onset of the activity concerned, in order to minimise costs arising from the development and operationalization of the activity (Perry and Sheng, 1999), in that duplication (mimicry) is more cost effective than development. This link between strategy and isomorphism is therefore emphasised in our study, and will be mobilized via a set of hypotheses.

HYPOTHESES DEVELOPMENT

In this section, we present a set of hypotheses summarising our expected relations between key variables in our study, drawing upon our discussion of neo-institutional theory, early vs. late adopters, and competitive strategy.

In developing our hypotheses, we commence with a general argument relating to the link between the conduct of CSR activities by businesses, and the reporting of the same (CSRR). That is, CSRR is by default, undertaken by firms that conduct CSR (van Marrewijk, 2003). However, does it naturally follow that all firms that conduct CSR activities engage in CSRR? Traditional isomorphic arguments might argue in favor of this linkage. Firms conduct sustainability activities in order to keep up with competition (isomorphism borne from mimetic forces), feel the pressure to do so from stakeholder (isomorphism from coercive forces) or are educated to do so by managers or consultants (isomorphism from normative forces). The engagement with this socially desirable practice is performed with the intention of communicating its worth to key stakeholders, especially for coercive and mimetic currents. This leads to the following hypothesis:

H0: Firms conducting CSR activities engage in CSRR.

It is acknowledged that when novel management and reporting practices diffuse, the reasons for this diffusion converges into three broad rationales as consistent with neo-institutionalism. Firms might apply an innovation owing to the imposition of regulation or broader stakeholder pressures (coercive force), management or professional services firms might drive the innovation into the reporting system of the firm (normative force), or the firm might follow in the footsteps of other firms that have done the same (mimetic force). We contend that when early adopters conduct CSRR, their motivations for doing so align with the appeasement of stakeholders (coercive force) or the initiation of inspired management (normative force). The application of CSR is consequently integrated more comprehensively into the practices of the firm, owing to the external pressure and the internal knowledge of management intending to roll-out the CSR innovation. We term this stronger alignment between the content reported and their actual manifestation as operational processes in the firm, as "embeddedness"[2]. Late adopters, by contrast, adopt a mimetic stance whereby their use of CSR is likely driven by the need to "keep up" with competition, maintaining a ceremonial conformity in the application of CSR. Consequently, the actual embeddedness of CSR claims versus its CSRR of late adopting firms will be lower. We construct arguments consistent with Ansari et al (2010), in proposing that firms differ in their adoption practices depending on their early or late adoption decision.

We therefore consider early reporters of CSR as first-movers, and their foray into CSR as more likely a function of an authentic pursuit for real sustainability practices and an intention to report this positive performance (Barnett et al. 2013), as driven by CSR practice as a socially desirable norm (Oliver, 1988), and not merely one for improving brand image (Werther and Chandler 2005) – though this is likely to be a desirable consequence. Consequently, such firms have arguably grounded integrated sustainability practices into their overall organizational strategy, and resulting operations. Similar relations can be observed in other management innovations, such as activity based costing, where early adopters showed a genuine concern for costing alignment as a response to strategic challenge (Gosselin 1997; Malmi 1999; Sisaye 2003). In studies investigating the diffusion of EVA in organizations, where the earlier firms to which Stern Stewart applied EVA to, genuinely concerned themselves with the desire to enhance profitability (Chen and Dodd

[2] We test embeddedness by analysis survey respondent responses to the question "To what extent has corporate responsibility strategy integrated into operative control of your organization?". Results are shown in Table 8.

1997). From this perspective, early reporters are expected to show higher levels of integration than later reporters.

H1: Early CSR reporters exhibit higher levels of CSR embeddedness than late CSR reporters

The link between CSR and strategy as previously introduced is expanded to develop two hypotheses. A firm's willingness to engage in different activities indicates an intention to pursue sources of competitive advantage that are unique and different to that of industry competitors. To this extent, early reporters that are first movers with respect to sustainability practices reveal their preference for pursuing a more differentiated strategy, where the objective is to provide a novel offering, or reveal a novel practice that captures the attention of a customer or end user. Normative and/or coercive isomorphism manifests in early reporters for purposes of managing the needs of key stakeholders in order to manage their expectations, impressing the same with the early implementation of an increasingly desirable sustainability reporting practice. Baumgartner and Ebner (2010) go further, explicitly acknowledging that sustainability related business activities hold an advantage in their connection to differentiation strategy, specifically from an innovation standpoint. Later reporters, by contrast, arguably do so in response to the innovative actions of their first-moving counterparts, and hence limit their focus to one of an "imitation" driven sustainability strategy to keep pace with their competitors. The imitation of CSR practices as opposed to its development also represents a lower cost alternative. To this extent, later adopters experience mimetic isomorphic currents extensively in relation to CSR, while initial adopters are more likely to genuinely do so in the light of powerful non-regulatory external stakeholders (community/customers/suppliers) concerns and therefore see an opportunity to differentiate themselves from their competition. Here, key managers drive CSRR based on their knowledge and understanding of the practice (normative isomorphic force) fundamentally distancing (differentiating) themselves from their competition. An associated area relating to early adopters is the literature around radical innovation, where a majority of such innovation is deployed by firms that come to be the "first mover", or early adopter of the innovation. The radical innovation literature strongly aligns the pursuit of radical innovation with the attainment of uniqueness as a source of competitive advantage (Gatignon and Xuereb 1997; Leifer et al. 2001; Koberg et al. 2003). Given that the very purpose of an early reporter is to perform a function that differentiates it from its competitors, we contend that:

H2: Early CSR reporters are more likely to apply a differentiation strategy.

H3: Late CSR reporters are more likely to apply an imitation strategy.

Large organizations tend to be more visible to the general public, and from a neo-institutionalist perspective, more susceptible to the normative and coercive isomorphic pressures surrounding CSR reporting than smaller firms, owing to their exposure to a larger and wider band of stakeholders. Large firms are therefore more likely to engage in CSRR in order to manage the general public's view, advertise their efforts surrounding CSR, or avoid surveillance (Benn et al. 2014). With access to resources that smaller firms cannot obtain, large firms thus tend to apply and benefit from CSR prior to their smaller counterparts (Kolk 2008). This is especially apparent, given the high fixed costs that accrue from comprehensively engaging in CSRR. Studies surrounding the coercive isomorphism are largely directed at large firms in "controversial" industries choosing to engage in CSRR in order to placate the interests of impacted stakeholders (who are more than those relating to smaller firms), or choosing to lead the market and anticipating the informational needs of stakeholders, therefore reducing their cost of capital by voluntarily disclosing (Healy and Palepu 1991). There also exists a strong cost argument for CSR, which biases its reporting in favor of larger firms (Perrini et al. 2007). The establishment of information collation systems outside traditional financial reporting arguably incurs significant costs, which are most likely able to be absorbed by larger firms (McWilliams and Segel 2001). We therefore hypothesize that:

H4: Larger organizations are more likely to engage in CSRR than smaller organizations.

METHOD

This study applies a mixed methods approach. First, a field study was chosen because earlier literature provides limited evidence on the research question in this particular environment (Lillis and Mundy 2005; Ahrens and Dent 1998). The study contains a combination of qualitative field study interviews (e.g. Lillis and Mundy, 2005) and survey data (e.g. Dillman 2008). Supplementing the evidence from the field, a questionnaire survey, document analysis (CSR reports and CSR Award Reports), homepages of the case organizations, interviews and participation in public CSR related events are further used to explore voluntary CSRR in Finland. In addition, two of the interviewees write sustainability blogs and have published hundreds of writings about the content of the study. Overall, the empirical setting in Finland is appropriate to our study as while CSR is voluntary for most firms, many firms continue to engage with it. Only Non-listed State Owned Enterprises and State majority-owned organizations have been required to undertake CSRR in Finland since 2011. State owners argue that they are 'caretakers' of the shares of such companies on behalf of the public, and therefore have to report their sustainability performance in an accurate and comparable manner (UNEP et al. 2013, p.17). Guidelines for reporting models given by ministries are based on GRI's G3 and G3.1 Guidelines, using a 'comply or explain' principle. As a result, only a minority of firms are required to publish CSR reports mandatorily and most of the firms do so voluntarily[3]. To illustrate the scale of the phenomenon of CSR in Finland, it has been reported that 156 Finnish companies and organizations reported CSR information in 2012 (in comparison, about 125 firms are listed in Helsinki Stock Exchange) (PwC, 2013). As a result, three out of four Top 500 companies in Finland do not publish any CSR information. As many as 85 Finnish companies applied the GRI guidelines in their reporting (67 GRI adopters of 132 reporters in 2010) (PwC, 2013). GRI guidelines are globally used, notwithstanding criticisms of their efficacy[4]. Even though the number of companies engaging in CSRR is moderate, Finnish companies do well in international comparisons. Finland ranks third amongst stock exchanges [5] which perform best in sustainability disclosures. (CK Capital, 2012).

Interviews

[3] However, two issues guide reporting in all firms. First, The Finnish Accounting Act, 1997, requires certain companies to include material non-financial issues in the director's report of the annual/financial report, and refers to the guidelines for good practice. In practice, key ratios and other information on personnel and environmental factors, and other potentially significant matters impacting on the operations of the reporting entity, need to be disclosed. http://bit.ly/10XPLAh. Second, The Finnish Accounting Board issued general guidelines for the recording, accounting and disclosing of environmental issues as part of the legally required financial statements in 2006. The guidelines are broadly based on the EU commission's recommendation 2001/453/EU, and are to be interpreted to be a part of binding good accounting practice. www.tem.fi/?l=en&s=878

[4] For example, Isaksson and Steimle (2009) analysed CSR reports of five firms on the cement industry in Sweden and conclude that the current GRI guidelines are not sufficient to make sustainability reporting for that industry relevant and clear. They argue that the guidelines are not sufficient for assuring that a report answers the questions of how sustainable a company is and how quickly it is approaching sustainability.

[5]The ranking is based on disclosure rates and timeliness for seven so-called "first-generation" sustainability indicators including energy, greenhouse gas emissions, water, waste, lost time injury rate, payroll costs and employee turnover.

We accessed five case organizations: 12 interviews within these five organizations were conducted. Three of the case organizations have published sustainability reports for several years while two organizations have been more recent in their CSRR. The interviewed individuals often had a title such as a sustainability manager, environmental manager, strategy manager, CFO, business controller or environmental engineer. The case organizations are well known companies in their industries. The first company is a state-owned, not stock-listed property company (Caretaker), the second company is a stock-listed and mainly a state-owned traveling company (Traveller), the third company is a for-profit energy company owned by few cities (Electrician), the fourth company is stock-listed company on construction industry (Builder) and the fifth company is stock-listed environmental company (Cleaner).

The interviews (see Table 1), which took place in 2010-2013, are triangulated by using publicly available materials such as the sustainability reports, homepages of the firms and published features in newspapers. The public material was used to obtain a general view of the firm before the interviews and thereafter to confirm the information obtained in the interviews. In addition, analyses of environmental and sustainability reports (about 50 pages per report, four organizations, over ten year period; about 2000 pages in total) gave us information on the development and trends of sustainability reporting.

In order to get a broader understanding of the different motivations, usability and assurance of corporate social responsibility reports, we interviewed the following: 1) Senior inspector, Ministry of the Environment; 2) Member of CSR competition jury, University; 3) Partner, A head of Sustainable Business Solutions in a Big-4 audit firm; 4) Auditor, Sustainability Expert in a Big-4 audit firm; 5) The CEO and Investor of a private fund management company; and 6) Head of Responsible Investments of the largest insurance company in Finland.

Survey

The target sample of the survey included the CFOs of Top 500 Companies and the Sustainability Managers of Top 240 Companies[6]. In addition, nine other CSR reporters were identified and their CFOs and Sustainability Managers were included in the target sample. The questionnaire (see Table 2) was sent in December 2012 by a mail post to 753 respondents from which 80[7] returned the questionnaire giving a response rate of 10.6% (see Table 3). In addition, Table 4 presents background information on the respondents. 12 out of these 80 organizations volunteered to be case companies for the future interviews.

EMPIRICAL FINDINGS

In our mixed methods approach, survey findings are used as the basis upon which to observe broad relationships between sustainability activities and CSRR amongst the 80 firms (H0), which we then clarify through the use of five case firms via the application of our neo-institutional lens (H1, H2, H3, H4). We therefore commence with a brief discussion of our survey results, and proceed to clarify our findings with

[6] Based on the data we have, we affirm that we received only one response per company. The respondents were voluntarily able to give their contact details - 28 respondents out of 80 responded anonymously and the remaining 52 respondents gave their contact details. None of them were from the same company. Finally we compared the anonymous 28 respondents regarding the company size, industry and other background information listed in the questionnaire but did not find matching pairs. We thus believe that the sample of 80 represents 80 unique organizations.

[7] Only 16% of the reporters of our study report on CSR mandatorily (being at least partially state-owned) while others report voluntarily.

our field evidence, integrating this explication with the neo-institutional arguments relating to isomorphism in the field section, specifically incorporating early and late adopters[8]. In this manner, we provide a richer context from which to affirm our hypotheses. In our survey, we distinguish between firms running a sustainable business, and firms engaging in CSRR. While the vast majority of firms in the sample engage in CSR practices, the proportion of firms that actually report these practices, and therefore conduct CSRR, is much smaller.

Survey data

We collected survey evidence on the motivations and perceived consequences of CSRR among Finnish firms. Table 5 shows the extent and reasons Finnish organizations' motivations to engage in sustainability, and the extent to which they consider having benefited as a consequence of their sustainable business engagement. From a motivational perspective, we note the prevalence of drivers for CSRR that strongly align to isomorphic arguments. For example, the "help us better managing our corporate image" and "to increase customer satisfaction", as well as "to meet the expectations of shareholders" and "to meet stakeholder stipulations" relate to coercive isomorphic reasons, where firms engage in CSRR in order to appease stakeholders. Alternatively, the "to follow the example given by markets and competitors" reason strongly aligns to the logic underpinning the mimetic force.

Generally, findings indicate that the top five motivations for the conduct of sustainability business practices (independent of reporting preference) are related to values, corporate image, customer satisfaction, creation of sustainable business solutions and shareholders expectations – these findings are in line with prior studies as previously outlined. Interestingly, the sample firms have generally not met these five most important goals which they set as their sustainability objectives[9]. Interestingly, we observe that from the full sample of 80, for which 72 firms identified as conducting CSR activities, only 46 (63.89%) conducted CSRR. This unexpected finding contradicts our neo-institutionalist stance marshalled using isomorphism as presented in H0, where we expected CSRR to strongly align to firms' conduct of CSR. We therefore reject H0. As will be indicated below based on our case findings, we also observed that firms conducting CSR and CSRR appeared to integrate their CSR activities into their actual operations to a greater extent than firms conducting CSR but not CSRR. This was unexpected, as firms that conduct CSR without CSRR might have been thought to be implementing CSR more authentically, as they are not using it as an external signalling mechanism (CSRR).

[8] We define early and late SCR reporters according to their experience of CSR reporting in years. Early reporters (both in the survey data and in the case studies) started CSR reporting in 2009 or earlier. Late reporters started CSR reporting in 2010 or later, having a maximum of three years of reporting experience (the survey data was collected in 2013).

[9] For Tables 5, 6 and 7, we observe the statistical significance of the differences in means between mean scores for the "observed consequence" and "motivation" for each reason, using a two-tailed Wilcoxon test. We apply a sig. $p<0.05$. We apply a non-parametric test as our survey data is ordinal, and we have no prima facie reason to assume our data will be normally distributed. We also conduct our significance tests assuming two way (non-directional significance) as we have no ex-ante expectation that our results should trend in a direction. Also, in terms of our classification of findings, we consider goals not to be attained in Tables 5, 6 and 7 when their "obtained consequence" scores are lower than their "motivation: scores, irrespective of significance. However, if an "observed consequence" score is greater than a "motivation" score, we say the goal was attained. If an "observed consequence" score is greater than a "motivation" score in a statistically significant manner, we classify this as a goal being exceeded. In this way, we separate our findings when an "observed consequence" score are greater than "motivation" scores to incorporate the significance effect. When an "observed consequence" scores are less than "motivation" scores, we contend that significance does not affect the result that the goal was not attained.

To better understand the reasons for the gap between reporters and non-reporters, we tested our results for CSR reporters and non-reporters (Table 6), and compared the results to the whole sample (Table 5). When comparing Tables 5 and 6, it can be seen that the motivations for engaging in sustainability activities are somewhat similar for both reporters and non-reporters. Table 6 shows that in the main, CSR reporters do not benefit significantly more than non-reporting CSR firms from more sustainable business engagement (notwithstanding their greater integration of CSR into their activities, as previously explained). This surprising finding possibly signals that the expectations of future benefits which sustainability practices produce may be perceived by reporters, but these benefits have not been realised in their actual activities. When comparing CSR reporters and non-reporters, it can be observed that CSR reporters have attained their goals in meeting stakeholder stipulations, meeting the expectations of civil societies and associations, and following the example given by markets and competitors while non-reporters have not attained these goals. In addition, CSR reporters have experienced an availability of finance and lower cost of capital, as well as the internationalisation of their company's business more extensively than non-reporters.

Table 7 depicts the different reasons that motivate the sample firms to produce corporate social responsibility reports and the extent to which they have experienced beneficial consequences from this reporting. The top 5 reasons for reporting are corporate values, corporate image, shareholders' expectations and employee and customer satisfaction. However, the findings again indicate that the expected benefits of reporting have not been realised.

Table 4 indicates that CSR reporters are more prone to be large organizations[10], listed on the stock exchange and have a dedicated and independent CSR manager, often directly reporting to the CEO (as opposed to a CSR manager under CFO responsibility). In this sense, the results indicate that larger firms have the capacity to administratively incorporate CSRR practices than smaller firms, arguably owing to their greater resourcing capacity arising from scale but this still does not explain why firms might choose be an early or late adopter of CSRR. Overall, our survey evidence indicates that pure economic rationale does not fully explain why Finnish firms voluntarily publish CSR information. Motivations seem to vary.

We consequently proceed to analyse our field data in order to clarify the findings from our survey data, and obtain an adequate explanation for CSRR motivations by firms that conduct CSR. Why might we report, and how do these explanations afford us new insight on how the different forces (mimetic, normative, coercive) relate to rationales for CSRR? With the exception of H4, our explanations regarding firm motivations for early versus late reporters (H1, H2 & H3), and the impact of practices driven by the different isomorphism types, are gleaned in order to address our remaining hypotheses. Our following discussion of five CSRR users (three early users and two late users) reveals insights into how institutional logics for conducting CSRR manifest, and how these logics morph into other logics over time. We also observe theoretically interesting departures from expected isomorphism rationales, especially surrounding coercive sources of isomorphism and mimetic sources of isomorphism in these firms. Our remaining findings are split into a brief description of our five case study respondents, followed by a sub-section respectively reflecting on how each hypothesis category is addressed.

[10] We observed strong variation in the size of these firms, though they were dominantly large firms. Also, and uniquely, the lower bands of the largest 500 firms in Finland are significantly smaller than the top band (as observable in Table 4). Owing to the smaller economy, there is stronger variation in size across the largest 500 firms, allowing us to observe a size effect. We therefore make claims around the size effect with respect to ”larger” and ”smaller” firms, without actually juxtaposing a multinational large firm against a small business of 20 employees (by way of example). We think the incremental argument surrounding size is more useful, subtle and applicable to other researchers and practice.

Field data - Early reporters

Caretaker

Caretaker was originally a government owned enterprise which was privatised in 1999 but retains majority government ownership. It acts as the government’s expert on the working environment and working premises. Caretaker provides maintenance service for thousands of buildings owned by the government. Caretaker has a long history of voluntary reporting, before CSRR became mandatory for state-owned companies in 2011. CSR is embedded in the company’s strategy - they see it as a natural part of being a state-owned company and thus being accountable to tax payers. The company has published Sustainability reports since 2001 (the first Finnish publicly listed firm in the same industry to produce a CSRR did so in 2010). Caretaker frequently receives annual reporting awards for their reporting. Caretaker has benefitted much from being sustainable and has therefore experienced a long list of benefits. They have been able to integrate sustainability issues into a balanced scorecard and into the incentive systems affecting every employee. Getting the indicators, correct numbers and cases to the report was made possible as management had been reporting on sustainability issues internally to the Board of Directors for many years. They engaged in environmental reporting for internal purposes in 1975 to control the use of oil and have records of many measures collected since then. They currently report publically, including to owners. The impetus for public CSRR arose from the owners. The company was privatised in 1999 and the representatives of the owner, who include politicians and government officers, had to understand detailed financial statements with minimum or no financial education. The firm started to report on CSR in order to justify their expenditure and savings, using operational and strategic narratives. Thus, we consider CSRR as a *supplement to traditional financial reporting* in Caretaker.

Traveller

Traveller published its first CSR report in 1987, limiting it to environmental impact discussions; it was highly technical in nature and legally required in its industry. These reports became public in 1996, when the company actively sought to more concertedly engage with the broader community outside their industry, regarding their CSR endeavours. They subsequently commenced full CSRR (incorporating social and environmental concerns) in 2008 and earned reporting awards. They publish both financial and CSR reports, such that triple-bottom line reporting including social reports was not a significant challenge from a reporting perspective. Owing to its long association with CSRR, Traveller unsurprisingly possessed a wide array of systems containing much CSR data at their disposal. This data was collated into reports by three individuals.

Traveller, a transportation company, is ranked first in their industry, concerned with long distance travel methods that consume high levels of energy resources. Its management considers Traveller as a pioneer enterprise. Interestingly, the company has engaged in radical strategic changes towards a sustainability focus, though their core activity does not lend itself to being sustainability “friendly”. Instead of being seen adversely as an environmentally destructive company, they have sought to create a business case for sustainability practices and use sustainability arguments in their sales and marketing to attract clients while also justifying cost savings internally with staff and management using a sustainability ethos. In many ways, for Traveller the core activity is engaging in being sustainable. Indeed, Traveller executives are very pragmatic in their arguments for adopting a sustainability approach.

The company openly uses CSRR as a sales argument in attracting customers. This was commercially viable during the years of economic growth, but has been less successful over the recent past. During the recession, customers selected their travel company based on price – with CSR being seen as a secondary factor in customer choice. The company speaks for voluntary CSRR, supporting the idea that all companies should have the possibility to choose whether to report on their sustainable activities or not. If companies are forced to CSR report, Traveller could lose its strategic competitive advantage – or at least a part of it, as the corporate signal to publish CSRR becomes less unique.

Therefore, while the firm's ideal is that CSRR will remain voluntary, they are not unaware of the possibility that CSRR could become made mandatory. To this extent, they are also lobbying to influence the way the industry develops and how profits should in the long run be generated. Sustainability is their strategy for creating competitive advantage. Traveller seeks to set the basis for CSRR, that only a minority of firms might be able to adequately uphold.

Electrician

Electrician is an energy company. It has published CSR reports since 2002 and received multiple CSR reporting awards. Electrician integrated CSR information into its annual report in 2010. However, they have experience of publishing environmental reports since 1996, not incorporating social aspects to their operations. Also HR reports were delivered to managers internally.

The primary reason for producing CSRR is that the former CEO was personally interested in sustainability issues and possessed international experience of the same. He implemented a sustainability strategy (incorporating CSR and CSRR) in the organization because he considered it an issue of strategic significance. However, due to a change of CEO, the strategy was re-thought and the new CEO was less receptive to viewing sustainability as a strategic issue. The Sustainability Manager expressed the difficulty posed by this change, explaining how representatives of owners, comprising mainly politicians and officers (the company is owned by a few cities), came to expect CSR information and asked for the company to still publish CSR information.

While CSR issues were not integrated in the management practices to a great extent, resistance towards it was initially evident. Though the role of corporate image is now observable, CSR issues are not visible either in their marketing or branding activities. Sustainability is not deeply integrated into balanced scorecards or other managerial practices at the company. Managerial decisions are mainly made using financial criteria. CSRR is relevant in communicating with external stakeholders such as local residents and owners but not fully in managing the company. More and more clients ask for sustainability measures to be included in their own reports. Electrician is asked to provide CSR information to others in the supply chain, and thus continues to do so to satisfy its stakeholder demands.

Field Data - Late Reporters

Builder

Builder initially commenced as a small business around a hundred years ago, but grew to become a large construction company, now listed in the Helsinki Stock Exchange. Builder now markets itself as creating sustainable urban environments by building housing, business premises and infrastructure across entire areas in Europe. In the last 15 years, the company has increased remarkably in size, trebling its workforce and revenues. According to media, the construction industry has faced significant CSR challenges. These relate to black markets, the employment of illegal labourers and unsafe working environments in Eastern Europe, Russia and Finland. This is a consequence of a lack of management control of long subcontracting chains and complex corporate structures. Builder has thus had to respond by communicating more openly about their CSR issues. As a result, the first CSRR was prepared in 2013.

For Builder, the primary motivation for producing CSR came from outside the company. External pressure from investors forced Builder to engage with CSRR. Builder follows others regarding the content on what to report on. However, the CEO uses the information published from the sustainability report to promote the sustainability ethos for shareholders in the annual report.

This suggests that the company aims to financially benefit by engaging in CSRR. However, CSR is not deeply integrated in internal business operations and they have not yet attained any tangible outcomes from its application. As a late reporter, Builder is motivated by outsiders and has imitated the reporting that conducted by leading competitors.

Cleaner

Cleaner is a stock-listed environmental company. In cooperation with their customers, they reduce waste volumes, recover materials and decrease the use of raw materials and energy. Thus, a responsible way of working is seen as a natural part of their business. Even though most Finns would regard this company as eco-friendly, it has not reported on their sustainable activities to outsiders prior to 2012 nor used their eco-friendly image in marketing.

Cleaner has produced a sustainability report since 2012 thus is a relatively young reporter. It had already reported many of the measures internally however. During the planning period, the company compared its internal measures and GRI in order to find lags and sought information about the indicators that GRI requires. In 2013 the company integrated corporate social responsibility report on the web in order to better support its sales instead of producing a separate hardcopy of the report. Clients, who are mainly large (multinational) companies, ask increasingly for information about sustainability related issues. As a result of being a part of a broader industry supply chain comprising upstream suppliers and downstream customers, Cleaner felt pressured to engage in CSRR in order to placate the informational needs of its related supply chain parties.

CSR Embeddedness

Prior to observing the response of our case firms, we affirm the position of Finnish CSR industry expert regarding the importance of integrating CSR into all aspects of a firm’s operations, and conducting the process with intent to actually change what is done in the organisation.

” Companies try to prove goodness of their product in a way that their customers will save some resources when choosing their product. In my mind, the best reporters are the companies who have built their business idea on sustainability.”

Our survey evidence provides mixed findings regarding the embeddedness construct. Table 8[11] measures the effects of CSR on the operative controls of firms, based on seven measures. Early reporters show a higher score than late reporters for six of the seven measures, but none of the differences are statistically significant. Interestingly, our results in Table 9 show statistically significantly higher scores for the effects of CSR on the operative controls of firms for the same six of seven measures, when comparing reporters versus non-reporters. This highlights that firms that conduct CSR as well as CSRR appear to embed their CSR activities into their operations to a greater extent than firms that conduct CSR, but not CSRR. This, however, does not necessarily translate into goal attainment for the CSR goals of the firm, as previously established for H0. To obtain a richer understanding of the factors that might drive a higher score, we reverted to our field evidence, which indicated broad support for higher CSR embeddedness[12] amongst the early CSR adopters. Two of our three early adopters (Caretaker and Traveller) evidence a high level of inter-linkages between CSR and other systems supporting their operations. Caretaker's CSR reporting relates to its balanced scorecard, incentive systems and strategy, emphasising this embeddedness. Caretaker also integrates its CSR into its control systems and HR training procedures with significant positive benefits:

"We experienced CSR as a tool for human resource management. We convey information about these sustainability issues, we measure and we publish the outcomes. This educates, trains and develops our employees to act in more responsible ways. When we measure, follow and control something, it leads the action and CSR becomes a management control tool too. It is a very significant outcome."

Caretaker Sustainability Manager

Theoretically, the reasons for these control choices reveal insightful findings regarding the nature of isomorphism as it relates to CSR and existing systems in their organizations. The high level of embeddedness in Caretaker relates to its desire to be a market leader, and justify its taxpayer expenditures. This most closely relates to coercive isomorphism, whereby sustainability practices and CSR reporting are undertaken to placate the interests of key stakeholders. Interestingly, this style of conformity appears non-ceremonial. Though evidencing a burden of expectation to report (coercive), Caretaker management willingly undertakes these practices with authentic intent, as evidenced by its genuine interlinking to extant systems in the firm. This link between coercive isomorphism and a genuine embeddedness is not intuitively found in most neo-institutionalist studies. In Traveller, another early reporter, we observe a similar embeddedness between CSR reporting and systems as in Caretaker, but the reasons for doing so more closely relate to pragmatic economic benefit, as opposed to an intent for sustainability reporting as an end objective.

"Western companies do not do this because of philanthropic reasons but rather see an opportunity to create added value – a good image brings new customers and better chances for a value creation. In other words, a good brand will bring you an opportunity to add some profit premium on your costs of goods sold. The brand is something that you don't want to destroy. In our company, we are proud of our brand which is very well known and highly respected in Finland… we don't engage in sustainability things because of our green heart. This is in our financial interest. "

[11] Tables 8 and 9 were tested using a two-tailed Mann-Whitney test, as a comparison was made between the medians of independent samples, comprised of different firms in each sample (early reporters vs. late reporters).

[12] We measure embeddedness by a consideration of the extent to which case firms integrate CSR and CSRR into their day to day operations, beyond the setting of CSR as a strategic goal, as revealed by interview respondents. Additionally, our survey data contains 7 CSR goals that relate to the embeddedness measure, per Table 8. Six of these seven measures show a higher score for early respondents, relative to late respondents, though none of the results are statistically significant. We therefore revert to our interview data to more richly observe for differences between early and late respondents.

(Sustainability Manager, Traveller)

In Traveller, coercive isomorphism drives an economic pragmatism – the needs of external stakeholders in the highly sensitive emissions area, forced Traveller to meet the informational needs demanded by its community stakeholder group, in order to ensure customers (as members of the community) continue to use its services. In Caretaker, it drives a managerial focus to report CSR authentically, in order to appease their own justification of expenditures for taxpayers, as well as the informational demands of politicians and taxpayers. Notwithstanding the two competing rationales for a coercive isomorphic stance, we observe an embeddedness of CSR. The reverse is noted for late reporters, who appear to conduct CSR somewhat more symbolically and with less evident embeddedness into extant systems. Builder, for example, is indicative of mimetic alignment, whereby management copied the indicators used by competitors, without direct evidence of its integration or relevance to Builder's internal operations:

"*Well, surely other companies in the same industry affect the content that we report on. When I prepared the first CSR at last year and was considering which indicators to report upon, I went through competitors' past reports and looked at what [indicators] they reported. In a way, I checked what were the indicators which they have thought important to report."*

Management in Builder more directly and succinctly asserted that they saw no actual benefit to CSR reporting in Builder, which drove the mimetic isomorphic stance (copy competitors):

"I don't know how many companies indeed benefit from reporting by using GRI. For us, it is a formal procedure; we have to apply it [GRI] because everyone else is using it."

More generally, a Finnish Big 4 Audit Partner heading CSR practices confirmed that late reporter firms frequently adopt practices owing to the peer pressure felt from competitor firms that have already done so:

"In practise, peer pressure influences in a way that it looks very odd if others report while you don't tell about sustainability issues. The main idea is that that stakeholders are nowadays more interested on what happens in the companies."

Finally, Cleaner evidenced late reporting of CSR and adopted a mimetic isomorphic stance, with little CSR embeddedness in indicators within actual practices. Interestingly, Cleaner invested in CSR reporting to keep up with competitors, but the rationales for their doing so strongly aligned to an authenticity not normally observed in the mimetic isomorphic stance. Cleaner was considered an eco-friendly firm, that practiced sustainability across its different facets of operations, but somewhat disconnected their CSR reporting from their activities. The reasons lie in the lower strategic value perceived by management in conducting CSR reporting, because the general perception of the customer and regulatory stakeholder groups was that CSR had to have been practiced with an extensively eco-friendly setting. Ironically, the strong link between the company's strategy to advance CSR introduced a measure of complacency amongst management and key stakeholders, who perceived a lesser need to report the same.

"*People assume that we are in [the CSR] and operate in that way. Well, I'll say that it would be quite odd that as the leading environmental company we wouldn't report about it. - - - In addition, we have to deliver lot of information to our clients - about their waste consumption and material efficiency - which they include* *in their own sustainability reports. We produce that information for many companies. Our reliability to make it, in their eyes, matters too.* (Sustainability Manager, Cleaner, 2nd year reporter)"

Overall, we report H1 is upheld in that a higher CSR embeddedness aligns with early reporters rather than late reporters. However, the isomorphic rationales and their motivations vary significantly. Importantly, coercive and mimetic isomorphism manifest amongst early and late adopters in different ways, and using rationales that have been less explored in the literature.

CSR adoption and Strategy

Our field data show support for H2. Of the three early adopters, Traveller and Electrician both regarded CSR as a strategy that differentiated and set them apart from competitors. Traveller was strategic in its pursuit of this differentiation and they lobbied governments to design CSR reporting requirements that aligned to their own, making it harder for their competitors to follow suit:

"I think that [as a pioneer] you get a chance to develop the actions [of the industry] and what should be reported. We are very active in several international associations in our industry. I'm, for example, member of the green group of the N.N. [industry association]. All of our peers don't report yet. I'll bring some ideas from there, but most importantly, that's a channel to influence others on how companies [on our industry] should report. - - - For the same reason, I'm also in the process of establishing a network of sustainability managers here in Finland."

Electrician considered abandoning CSR upon the exiting of their former CEO, but the current CEO maintained the system in order to retain a brand image in response to management request, continuing an activity that set it apart from its competitors. To this extent, Electrician and Traveller show evidence of early adopters conducting CSR, with the purpose to being viewed uniquely by customers, in relation to competitors. The rationales for doing so relate to a need to placate key stakeholder concerns (coercive isomorphism), or apply managerial expertise to the deployment of CSR reporting practices (normative isomorphism). The strategy executed as the basis for this rationale was aligned to a differentiator strategy type. We note that Caretaker (an early adopter) is not reflective of such a pursuit of strategic differentiation, as its service provision had few indirect and no direct competitors – even after privatisation.

Our field evidence surrounding the late adopters reveals a strong inclination for an imitative posture to conducting CSRR (mimetic isomorphism). This was especially apparent in Builder, and also in Cleaner. Builder engaged with CSRR with the express intention to reduce strategic pressures relating to their lack of reporting, and did so by confirming the replication of the reporting styles of its competitors that had earlier commenced reporting. To this extent, management in Builder suggest a classic mimetic isomorphic institutional rationale, as previously explained.

Cleaner also imitated the reporting of its competitors, but presented a novel theoretical insight into the rationale for this mimetic isomorphism. Cleaner was an environmental company, strongly reputed for its environmental awareness and alignment. Cleaner did not perceive the need for CSRR, as its strategic purpose was so aligned to the sustainability ethos that no external stakeholder or internal manager questioned the sustainability practices of Cleaner. Interestingly, its strong strategic alignment to the underlying sustainability phenomena drove its non-reporting of CSR. Subsequently, when CSRR became more prevalent in Finnish industries, Cleaner commenced reporting, using indicators that it had itself recommended to other firms. While the architecture of the Cleaner adoption mirrors a mimetic isomorphic context, the reasons for its existence present a substantial departure from the ordinary logic surrounding the late adoption of an innovation. Overall, H3 is upheld, in that late adopters reveal an alignment to the mimetic isomorphic logic. However, their reasons for doing so range from the orthodox (Builder) to the unexpected (Cleaner), relative to the literature concerning the mimetic isomorphic theoretical lens in the adoption of CSR reporting practices by late adopters.

CSRR adoption and firm size

Our descriptive survey data reveals that larger organizations partake in CSRR to a greater extent than smaller organizations. Table 4 shows that 17 out of the 18 firms in our sample with more than 5000 employees are reporters rather than non-reporters. CSRR organizations are also more often stock listed companies which regularly publicly report on their activities while non-listed companies are less likely to engage in intensive reporting routines. This may also relate to the size effect, and listed companies are usually larger than unlisted companies. We could not comment on the size effect within our five case studies, as our case firms are all relatively large firms being among largest 150 firms in Finland, and all engaged in CSR as well as CSRR.

Given the above, and based on our survey data, we contend that the extent of institutional pressures imposed on larger firms causes greater scrutiny from their more voluminous and varied stakeholder base, which subsequently impacts their penchant for engaging with CSRR.

This relation was similarly expressed by an expert on CSR in a Big 4 Auditing firm based in Finland, who explained that there existed institutionalised pressure for larger firms to apply CSRR.

” It is institutionalized practise that all firms of a certain size will report on sustainability. It will arise concerns if they wouldn’t report.”

Given the high fixed costs associated with CSRR, the greater funds at the disposal of larger firms arguably lends them a level of resourcing that is able to accommodate an alternative reporting form relative to a financial reporting system. This rationale reinforces the impact of size on the decision to engage intensively with CSR and its reporting. Such a view was similarly commented on by a member of the competition jury in Finland, and an expert in CSR, who explained that smaller firms simply perceived themselves as not having the resources to undertake CSRR, owing to the ”heavy process”.

”Now we are in the phase where its seriousness or heaviness obstructs the diffusion of reporting practice. Especially smaller companies easily think that the CSR reporting is heavy reporting proses meant for the big companies and that they do not have enough resources to do it.”

DISCUSSION AND CONCLUSIONS

Notwithstanding the acceptance of most hypotheses, our findings reveal departures from the extant literatures surrounding institutional logics for CSRR use in organizations. The goals set for both sustainable business engagement and CSR reporting do not appear to have been realised. Indeed, surveyed Finnish organizations have not attained the primary goals for which they engage in CSR and CSRR, as illustrated in the similarity in results across Table 5 and Table 6. Table 5 shows the motivations and consequences of CSR across all survey respondents, including reporters and non-reporters. Table 6 splits these into reporters and non-reporters. We find that for twelve of the seventeen motivations for conducting CSR, reporters fail in their goals like non-reporters do, but keep reporting. Of the thirteen identified motivations/benefits for conducting CSRR amongst reporters (Table 7), twelve do not obtain the level of outcomes for which their reporting was initiated. Our survey results therefore point to economically rational explanations not fully encompassing why corporations voluntarily publish CSR. Why do Finnish companies voluntarily publish CSR reports in the areas in which their goals remain unmet?

Our field data from five firms within the survey sample provide a richer context to clarify our findings, revealing theoretical departures from the often cited institutional logics viewed as underpinning isomorphism in relation to the conduct of CSR and CSRR. First, we reveal the possibility that isomorphism types might alter across organizations with more mature firms engaging with an innovation. Two of our three early adopters comprehensively integrated CSR into other management systems and their overall strategic pursuits, but their reasons for doing so shifted over time. Traveller initially engaged intensively with CSRR owing to coercive isomorphism, and subsequently transitioned to a normative isomorphism logic when management saw CSR and its reporting as an option to differentiate the firm from its industry competitors. This leads us to a second contention we consider as theoretically novel and as a contribution to the literature. The extent of CSRR practice in Traveller was aided by its industry's practices *not* aligning with a sustainable ethos. This proved an enabler for CSR – as management perceived it as a point of differentiation and competitive advantage. Early reporters want to be the first on the market and apply a differentiation strategy through their CSR focus. Late reporters, by contrast, are more reactive to pressures from their markets, considering CSR within a mimetic isomorphism ideal. Here, the motivation appears to be uncertainty reduction. Builder engaged in the same for quite orthodox reasons – that is, keeping up with industry standards and applying indicators similar to that adopted by its early adopter industry competitors. Cleaner, however, presented a theoretically novel rational for the mimetic isomorphism it exhibited. Cleaner's late adoption of CSRR owed to the very strong alignment of its operations to a sustainability ethos (somewhat opposite to Traveller). Cleaner was widely perceived as an institution with a strong environmental ethos, and thus stakeholders (internal and external) largely assumed the existence of their sustainable practices. It was only upon the wider proliferation of CSRR in Finnish industry, that management in Cleaner saw it as prudent that a strongly sustainability aligned firm should have some variant of a CSRR. CSRR at Cleaner is arguably less onerous and comprehensive relative to the early adopters (Caretaker, Traveller and Electrical), though their underlying embeddedness of sustainability practice is fundamentally deeper than these other firms. Thus, a strong operational and strategic alignment to CSR proved a deterrent to the early adoption of CSR. Early reporters can be authentic in their intention for conducting CSR (Caretaker), but they might purposefully *report* on sustainability *for* brand creation and added value (Traveller, Electrician), while late reporters might do so in order to *not to lose* their brand (Builder), or maintain superficial acknowledgement of their patently strong strategic and operational affinity to sustainable practice (Cleaner).

We also note that once a firm commences CSR, it is difficult for it to disengage from it. Internally rationalised reasons seem to drive the objectives of early reporters of CSR while late adopters are more likely motivated to report about sustainability as a result of external forces, and neither groups appear to desire halting CSR. This was especially apparent at Electrician, where a change from one CEO highly supportive of CSR to another who was not, did not diminish CSR reporting which was seen as enhancing brand image protection.

Overall, we contend that traditionally rationalized neo-institutional explanations do not fully explain CSRR practices. CSR reporting can be important for early reporters to create competitive advantage as they are the first to market. Late reporters align with others given an aversion to being regarded as ineffective within the industry and of being outliers if they do not publish CSR data.

Many firms promote themselves as having established a sustainability strategy. 61.3%[13] of all sample firms (80.4% of CSR reporters) created a sustainability strategy; 62.5% of the firms (76.2% of reporters) integrated sustainability into their goal setting such as the balanced scorecard and 46.3% of the firms (63% of reporters) linked it to their compensation system. When comparing desired motivations and the experienced benefits from sustainability concerns (Tables 5, 6), the survey findings indicate that the majority of organisations have not achieved their goals for CSRR, hence failing in their strategic objectives for conducting CSR and its reporting. Our interview data allows us to observe that the organizations which have also implemented sustainability practices at an operating level and executed CSRR through for example, goal setting via balanced scorecards and indicators tied to compensation, achieved their sustainability goals. Our findings remain when comparing CSR reporters and non-reporters (Table 9). They suggest that a sustainability strategy may be less efficacious if it has not been implemented in practice. This finding is consistent with the strategy literature and earlier studies on sustainability (e.g. Porter & Kramer, 2006).

We also tested whether firms with a long CSRR history attain CSR goals more successfully than newcomers but find no significant results for the same from the survey data. This indicates that though our field data suggests different CSR motivations for early and late reporters, none experienced the outcomes/benefits initially sought. This result might be explained by possible differing motivations for conducting CSR in the past, versus the present. For example, firms might begin the use of CSR owing to external stakeholder pressures, but then continue to engage with it because of managerial expertise (normative force) or may change their reported numbers to reflect the styles of reports used by competitors (mimetic force). This aligns with our observation that isomorphism rationales may alter over time amongst reporters.

The findings of our study, especially from our case respondent data suggest that late reporters are willing to 'voluntarily' publish sustainability reports because reporting has become more like a (corporate) norm and a refusal to publish CSR elements is interpreted as hiding sustainability efforts and being misaligned. Where CSRR was once considered an optional activity, it has become an expected reporting mechanism for Finnish companies.

Overall, our mixed methods study comprising an 80 firm survey sample supported by case evidence from five organizations from the survey sample contributes to the literature surrounding neo-institutionalist rationales for CSRR adoption and impact. We show that normative and coercive isomorphism interplay to drive the adoption decision of early adopters, who do so in the interest of professing different strategic postures to placate key external stakeholders. This contrasts with prior studies that have mainly argued for mimetic and normative isomorphism as dominating the decision to implement CSRR amongst adopters (Arya and Zhang 2009). Finally, we find that late reporters often choose not to engage earlier as their

[13] The original question "To what extent has corporate responsibility strategy integrated in operative control of your organization?" is asked on the Likert scale from 1 to 7. The percentage includes respondents who have integrated sustainability to an extensive level (values 5-7).

strategic proximity to the phenomena being reported is intrinsically close. Such firms subsequently feel less need to opportunistically validate or signal their sustainability ethos using formal reporting systems. Notwithstanding this, for most organizations engaging in CSR, late reporters engage in CSRR to satisfy market expectations of their sustainability ethos, but not in a manner that is as sophisticated as other firms conducting CSR and reporting on this for strategic purposes. In this sense the early/late reporting of CSR might not proxy the higher or lower sustainability performance of an organization, respectively.

Our findings allow us to introduce the possibility of coercive isomorphism effects in early adopter motivations, and question the assumptions surrounding mimetic isomorphic motivations as explained in current studies. We also observe that isomorphic rationales can alter with time, and that early adopters are not necessarily strategically pure in their actual conduct of CSRR, often reporting for coercive isomorphic reasons (regulatory imposition), which might transition into normative isomorphism as strategic differentiation is pursued. This being a possibility ironically rendered more likely in industries where alignment to sustainability practices is *more* difficult to achieve, implying the pursuit of sustainability in the same industries yields greater competitive advantage. Late adopters, by contrast, might do so for traditionally identified mimetic isomorphism rationales, but uniquely, because their practices are so aligned to a sustainability ethos that organizations see no impetus to engage in CSRR early, and all stakeholders assume the organization to be sustainably aligned, further reducing the drive to conduct CSRR early. Hence, the strong alignment to sustainability practice might unexpectedly drive the later and more superficial adoption of CSRR.

Our study is subject to the often cited limitations of survey data, and field data. We have attempted to construct a representative sample of Finnish firms, and indeed our sample contains firms from a wide range of industries, but the extent to which this deviates from the overall population of Finnish firms arguably skews our findings. Additionally, the qualitative responses engaging perceptionary data is a limitation of survey studies generally. Management accounting research acknowledges this whilst resting also on such empirical data where this enhances our knowledge base of what drives accounting change. Finally, our field data comprises five firms, with a limited number of individuals providing comments from each firm. The views of these individuals cannot extend to those held generally and broadly by the managers in the firms studied or across the entire population of Finnish firms. This we also recognise as a limitation of the field data deployed here. The coupling of the two data types however, offers triangulation strength minimizing the impact of the data limitations.

CSR reporting will likely grow as global demands grow for more environmental and social accountability from organizations. Our study has attempted to highlight the alternative motivations underlying organizations' production of CSRR, and the theoretically different neo-institutionalist postures that might impact organizational rationales for doing so. It is hoped that future research will further delve into isomorphic dynamics where isomorphic types alter over time within organizations. This would enable comparison with our Finnish data with evidence from regions where firm CSRR may not yet find prevalence.

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Table 1. Interview Source Information

	Interviews with case organization respondents	Organization	Duration	Date
1	Sustainability manager	Traveller	62 min	24 Nov, 2010
2	Sustainability Manager, Head of a Business Control, CFO	Caretaker	104 min	3 Dec, 2010
4	Communication & Sustainability Manager	Electrician	52 min	21 Jan, 2011
5	Environmental Engineer	Electrician	73 min	27 Jan, 2011
6	CFO, Strategy Manager	Electrician	69 min	27 Jan, 2011
7	Communication & Sustainability Manager	Electrician	144 min	21 Jun, 2011
8	Sustainability manager	Traveller	Update by e-mail	August
9	Senior Vice President, Corporate Communications and Corporate Responsibility, member of Executive Board and Board of Management	Traveller	90 min	16 Aug, 2011
10	Sustainability Researcher	Traveller	120 min (not recorded, notes only)	17 Nov, 2011
11	Sustainability Manager	Cleaner	49min	4 Dec, 2013
12	Sustainability Manager	Builder	44min	4 Dec, 2013
	Interviews with stakeholders external to case organisation			
13	Senior inspector	Environmental administration (ministry)	72 min	1 Mar, 2011
14	A member of competition jury, CSR researcher	University	110 min	16 Oct, 2012
15	Expert of sustainability reporting	A Big-4 auditing firm (Audit company A)	76min	6 Nov, 2012
16	Partner, A head of Sustainable Business Solutions	A Big-4 auditing firm (Audit company B)	60min	8 Nov, 2012
17	CEO, Investor	A private fund management company	63min	29 Nov, 2012
18	Head of Responsible Investments	Insurance company	79min	8 Jan, 2013
			Total, approx. 21h	

Table 2. Questionnaire measures on motivating factors and perceived outcomes of CSR*

Question A. To what extent do the following factors motivate your organization to be run as a sustainable business and to what extent has your organization obtained the following benefits as a result of sustainable business engagement?

Question B. To what extent do the following factors *motivate* your organization to produce a sustainability report and to what extent are the following issues *consequences* of the sustainability reporting?

*similar survey items offered for both questions A and B.

Questionnaire item:	Original literature reference:
Availability of finance and lower cost of capital	Cheng et al. (2014), Attig et al. (2013), El Ghoul et al. (2011), Eurosif (2012)
Risk Management	Fombrun et al. (2000), Godfrey (2005), Bansal and Clelland (2004)
Availability of finance and lower cost of capital	Cheng et al. (2014), Attig et al. (2013), El Ghoul et al. (2011), Eurosif (2012)
Risk Management	Fombrun et al. (2000), Godfrey (2005), Bansal and Clelland (2004)
To avoid tighter regulation	Campbell (2006), Bronn & Vidaver-Cohen (2009), Davis (1973)
To aid internationalisation of the company's business	Anderson and Bieniaszewska (2005)
To follow the example given by markets and competitors	Misani 2010, Länsiluoto and Järvenpää (2008)
To meet the expectations of shareholders	Popoli (2011), Porter & Kramer (2006), Hilman & Keim (2001), Bansal & Roth (2000)
To meet requirements of other organizations in the supply chain	PWC (2012), Markley and Davis (2007)
To increase customer satisfaction	Bhattacharya & Sen (2004), Becker-Olsen et al. (2006), Klei & Dawar (2004), Rasche and Kell (2010)
To meet the expectations of civil societies and associations	Eesley & Lenox (2006), Pedersen (2010)
To helps us better managing our corporate image	Branco & Rodrigues (2006), Rasche and Kell (2010), Bronn & Vidaver-Cohen (2009), Popoli (2011)
To create business sustainability solutions/applications	Branco & Rodrigues (2006)
To increase our competitive advantage	McWilliams et al. (2006), Branco & Rodrigues (2006), Hart (1995)
To meet stakeholder stipulations	Kuisma et al. (2013)
To enhance our financial performance	Orlitzky et al. (2003), Hillman and Keim (2001), Rasche and Kell (2010)
To aligns with the values of the organization	Pedersen (2010), Bronn & Vidaver-Cohen (2009) Hahn and Scheemesser (2006)
To increase employee satisfaction	Rupp et al. (2006); Branco & Rodrigues (2006, Sims & Keon (1997)
To achieve cost savings	Länsiluoto & Järvenpää (2008), Branco & Rodrigues (2006)

Table 3. Response Rate Data

	500 largest	other CSR reporters	Sent questionnaires in total (N)	Key responsibility area of a respondent (N)
CFOs	500	10		
Missing contact information	4	1		
In total	496	9	**505**	**40**
CSR Managers	240	10		
Missing contact information	2	0		
In total	238	10	**248**	**24**
Other*				**16**
Totals			**753**	**80**

Note: Other (16 responses) indicate that the respondents' key responsibility area is something else than finance or sustainability. Even if the public information of the company websites indicate that they are responsible for sustainability issues of the organization, the respondents' key responsibility area however is business communications, marketing or human resource management while sustainability is one part of their primary job.

Table 4. Background information: CSR reporters and non-reporters

A key responsibility area of the respondent	**All respondents (n 80)**	**CSR Reporters (n46)**	**Non-reporters (n34)**
Finance	40	13 (28.3%)	27 (79.4%)
Sustainability/CSR	23	21 (24.7%)	2 (5.9%)
Sustainability Reporting	1	1 (2.2%)	0
Other	16	11 (23.9%)	5 (14.7%)
Does your firm have a sustainability manager?			
Yes, (s)he is a member of a Management Board	8	7 (15.2%)	1 (2.9%)
Yes, but (s)he is not a member of a Management Board	18	16 (34.8%)	2 (5.9%)
No	40	16 (34.8%)	24 (70.6%)
No, but such a post is desirable	4	2 (4.3%)	2 (5.9%)
No response or missing	10	5 (10.9%)	5 (14.7%)
Number of employees (size)			
Below 50	1	1 (2.2%)	0 (0.0%)
50-249	9	3 (6.5%)	6 (17.6%)
250-499	15	7 (15.2%)	8 (23.5%)
500-999	10	3 (6.5%)	7 (20.6)
1.000-4.999	27	15 (32.6%)	12 (35.5%)
More than 5.000	18	17 (37%)	1 (2.9)
Publicly listed on stock exchange	23	18/46 (39.1%)	5/34 (14.7%)
State-owner is significant	16	7/46 (15.2%)	9/34 (26.5%)
Has a foreign parent	16	7/46 (15.2%)	9/34 (26.5%)
Private owners	12	7/46 (15.2%)	5/34 (14.7%)
Type of organization			
Profit oriented company or organization	93,8%	43 (93,5%)	33 (97,1%)
Non-profit company or organization	**6,3%**	3 (6,5%)	1 (2,9%)
Industry			
Basic industries	8	6 (13,0%)	2 (5,9%)
Industrial products and services	21	12 (26,1%)	9 (26,5%)
Consumer products	11	7 (15,2%)	4 (11,8%)
Other*	34	17 (37%)	17 (50%)
No response/ missing	6	4	2

Note: Responses with two or less cases have been integrated into ‘others’.

Table 5. Motivations and consequences of CSR among all survey respondents

Q. To what extent do the following factors motivate your organization to be run as a sustainable business and to what extent has your organization obtained the following benefits as a result of sustainable business engagement?

	N*	Motivation (mean on 1-7 scale)	Obtained consequence (mean)	P value	interpretation
To align with the values of the organization	73	5,85	5,37	,000***	Goals not attained
To help us better managing our corporate image	75	5,83	5,33	,000***	Goals not attained
To increase customer satisfaction	74	5,69	4,95	,000***	Goals not attained
To create business sustainability solutions/applications	74	5,50	4,82	,000***	Goals not attained
To meet the expectations of shareholders	76	5,50	5,18	,005***	Goals not attained
To increase our competitive advantage	74	5,47	4,72	,000***	Goals not attained
To increase employee satisfaction	73	5,45	5,00	,000***	Goals not attained
Risk management	73	5,40	5,14	,004***	Goals not attained
To meet stakeholder stipulations	73	5,07	4,84	,093*	Goals not attained
To enhance our financial performance	74	4,78	4,32	,010**	Goals not attained
To achieve cost savings	73	4,77	4,23	,000***	Goals not attained
To meet requirements of other organizations in the supply chain	73	4,74	4,42	,008***	Goals not attained
To meet the expectations of civil societies and associations	73	4,29	4,23	,622	Goals not attained
To follow the example given by markets and competitors	73	4,51	4,64	,365	Goals attained
Availability of finance and lower cost of capital	70	4,16	4,44	,088*	Goals exceeded
To avoid tighter regulation	71	4,00	3,52	,007***	Goals not attained
To aid internationalisation of the company's business	72	3,56	3,94	,023**	Goals exceeded

Note: Wilcoxon matched-pair signed-rank test as a nonparametric test, testing bi-directional significance in mean differences between "obtained consequence" and "motivation" scores.

- "obtained consequence" mean score < motivation mean score = Goals not attained
- "obtained consequence" mean score > motivation mean score = Goals attained
- "obtained consequence" mean score > motivation mean score = Goals exceeded

P value indicates significant result on 1% (***), 5% (**) and 10% (*) level.

Table 6. Motivations and consequences of CSR among CSR reporters and non-reporters

Q. To what extent do the following factors motivate your organization to be run as a sustainable business and to what extent has your organization obtained the following benefits as a result of sustainable business engagement?

	N	Reporting Status	Motivation (mean on 1-7 scale)	Obtained consequence (mean)	P value	Interpretation
To helps us better managing our corporate image	43	R	6,16	5,56	,001***	Goals not attained
	32	NR	5,38	5,03	,017**	Goals not attained
To increase customer satisfaction	43	R	5,79	5,14	,000***	Goals not attained
	31	NR	5,55	4,68	,000***	Goals not attained
To meet the expectations of shareholders	43	R	5,77	5,44	,039**	Goals not attained
	33	NR	5,15	4,85	,054*	Goals not attained
To create business sustainability solutions/applications	43	R	5,70	5,14	,000***	Goals not attained
	31	NR	5,23	4,39	,001***	Goals not attained
To achieve cost savings	42	R	4,71	4,33	,037**	Goals not attained
	31	NR	4,84	4,10	,001***	Goals not attained
To increase our competitive advantage	42	R	5,64	5,00	,001***	Goals not attained
	32	NR	5,25	4,34	,000***	Goals not attained
Risk Management	42	R	5,52	5,33	,087*	Goals not attained
	31	NR	5,23	4,87	,008***	Goals not attained
To meet stakeholder stipulations	43	R	5,00	5,05	,868	Goals attained
	30	NR	5,17	4,53	,006***	Goals not attained
To enhance our financial performance	43	R	4,77	4,35	,057*	Goals not attained
	31	NR	4,81	4,29	,093*	Goals not attained
To aligns with the values of the organization	42	R	6,26	5,69	,000***	Goals not attained
	31	NR	5,29	4,94	,008***	Goals not attained
To increase employee satisfaction	42	R	5,67	5,29	,002***	Goals not attained
	31	NR	5,16	4,61	,007***	Goals not attained
To meet requirements of other organizations in the supply chain	42	R	4,69	4,48	,205	Goals not attained
	31	NR	4,81	4,35	,006***	Goals not attained
To meet the expectations of civil societies and associations	42	R	4,31	4,31	,967	Goals attained
	31	NR	4,26	4,13	,470	Goals not attained
To follow the example given by markets and competitors	42	R	4,24	4,69	,045**	Goals exceeded
	31	NR	4,87	4,58	,128	Goals not attained
Availability of finance and lower cost of capital	39	R	4,00	4,46	,026**	Goals exceeded
	31	NR	4,35	4,42	,772	Goals attained
To avoid tighter regulation	41	R	3,98	3,59	,091*	Goals not attained
	30	NR	4,03	3,43	,021**	Goals not attained
To Aid internationalisation of the company's business	42	R	3,60	3,95	,034**	Goals exceeded
	30	NR	3,50	3,93	,388	Goals attained

Note: Wilcoxon matched-pair signed-rank test as a nonparametric test, testing bi-directional significance in mean differences between "obtained consequence" and "motivation" scores.

- "obtained consequence" mean score < motivation mean score = Goals not attained

- “obtained consequence” mean score > motivation mean score = Goals attained
- “obtained consequence” mean score > motivation mean score = Goals exceeded

P value indicates significant result on 1% (***), 5% (**) and 10% (*) level.

Table 7. Motivations and consequences of CSRR

Q. To what extent do the following factors *motivate* your organization to produce a CSR report and to what extent are the following issues *consequences* of CSR reporting?

	N*	Motivation (mean on 1-7 scale)	Obtained consequence (mean)	P value	Interpretation
To align with the values of the organization	43	5,48	5,18	,048**	Goals not attained
To help us better manage our corporate image	44	5,47	4,93	,006***	Goals not attained
To meet the expectations of shareholders	44	5,33	4,87	,013**	Goals not attained
To increase employee satisfaction	45	4,72	4,26	,017**	Goals not attained
To increase customer satisfaction	44	4,58	4,04	,004***	Goals not attained
To create business sustainability solutions/applications	44	4,33	4,09	,243	Goals not attained
To meet stakeholder stipulations	44	4,31	4,16	,871	Goals not attained
To follow the example given by markets and competitors	44	4,27	4,20	,444	Goals not attained
To increase our competitive advantage	44	4,20	3,80	,025**	Goals not attained
Risk management	43	4,14	4,05	,710	Goals not attained
To enhance our financial performance	43	3,68	3,36	,024**	Goals not attained
It is easier to reason cost saving	43	3,32	3,30	,661	Goals not attained
Availability of finance and lower cost of capital	43	3,23	3,27	,772	Goals attained

Note: Wilcoxon matched-pair signed-rank test as a nonparametric test, testing bi-directional significance in mean differences between "obtained consequence" and "motivation" scores.

- "obtained consequence" mean score < motivation mean score = Goals not attained
- "obtained consequence" mean score > motivation mean score = Goals attained
- "obtained consequence" mean score > motivation mean score = Goals exceeded

P value indicates significant result on 1% (***), 5% (**) and 10% (*) level.

Table 8. Effects of CSR on operative control of Early and Late Reporters

Q. To what extent has corporate responsibility strategy integrated into operative control of your organisation?

Questionnaire item:	Early reporters Mean (N)	Late Reporters Mean (N)	Mann Whitney U-test Sig.
We have written a sustainability strategy	5,72 (29)	5,14 (14)	0,354
Sustainability is included in a 3/5 year plan	5,62 (29)	5,14 (14)	0,285
Sustainability is included in a business vision	6,03 (29)	5,57 (14)	0,207
Sustainability is included in a goal setting (e.g. Balanced Scorecard)	5,28 (29)	4,64 (14)	0,189
Sustainability has effect on compensation	4,79 (29)	4,14 (14)	0,273
Sustainability is written in investment policy/guidelines	4,61 (28)	3,86 (14)	0,308
Sustainability has effect on HR decisions	3,85 (27)	4,29 (14)	0,257

Note: Mann Whitney U-test Sig. indicates significant result on 1% (***), 5% (**) and 10% (*) level.

Table 9. Effects of CSR on operative control of CSR reporters and non-reporters

Q. To what extent has corporate responsibility strategy integrated into operative control of your organisation?

Questionnaire item:	CSR reporters Mean (N)	Non-Reporters Mean (N)	Mann Whitney U-test Sig.
We have written a sustainability strategy	5,46 (46)	3,56 (34)	,000***
Sustainability is included in a 3/5 year plan	5,50 (46)	3,82 (34)	,000***
Sustainability is included in a business vision	5,87 (46)	4,65 (34)	,001***
Sustainability is included in a goal setting (e.g. Balanced Scorecard)	5,13 (46)	3,94 (34)	,002***
Sustainability has effect on compensation	4,61 (46)	3,12 (34)	,000***
Sustainability is written in investment policy/guidelines	4,31 (45)	3,21 (34)	,002***
Sustainability has effect on HR decisions	4,11 (44)	3,62 (34)	,119

Note: Mann Whitney U-test Sig. indicates significant result on 1% (***), 5% (**) and 10% (*) level.