In Search of Explanations for Corporate Social Reporting (CSR): An Attempt to Revisit Legitimacy Theory

Petros Vourvachis
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Abstract
The paper’s aim is twofold: it first introduces a revisited Legitimacy Theory (LT) framework and then moves on to empirically consider its applicability by examining the reaction of international aviation companies, in terms of Annual and Sustainability Reports disclosure, to some major social accidents. The accidents reviewed are the Concorde crash north of Paris (2000) and its effect on the reporting of British Airways (BA), and the Singapore Airlines (SIA) accident at T’ai-pei. A largely qualitative approach to Content Analysis (CA) is employed, considering not only the variations in the measured levels of CSD prior and following the accident, but also what is actually stated in the disclosures. The quantitative and qualitative evidence from both the companies support the identified as pragmatic, image-oriented variant of the framework, where organisations engage with CSR to ensure they possess adequate supplies of the legitimacy resource to maintain profitability and long term survival.

Keywords
Corporate Social Reporting (CSR), Corporate Social Disclosure (CSD), Legitimacy Theory (LT), Content Analysis (CA), Case study, British Airways (BA), Singapore Airlines (SIA)

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In Search of Explanations for Corporate Social Responsibility (CSR): An Attempt to Revisit and Assess Legitimacy Theory

1. Introduction

The behaviour of corporations has never been more under the spotlight (McIntosh et al., 2003). Although this was not considered to be a new issue even in the 1960s (Drucker, 1969), or 1950s (Heald, 1957), public awareness of the environmental, social and economic impacts of business has increased at a dramatic rate over the last decades. Companies now face increased pressure from investors, governments, customers and others to demonstrate their efforts to manage the impacts of their operations (Scott and Jackson, 2002). Accounting, as “a set of socially conditioned practices which have various significant impacts on the operation of our society” (Bebbington, 2004, p16), is called upon to assist in demonstrating the accountability and integrity of business actions.

As a result of the combinations of the increased pressures companies face, Corporate Social Reporting1 (CSR) has been developed to address the increased need for information that the company’s stakeholders have regarding its social and environmental performance. Compared to the long historical practice of financial reporting, however, the development of social and environmental reporting practices is still in its infancy and there is much debate on various issues (see, Gray et al., 1995a; Mathews, 1997; Gray, 2001; Deegan, 2002; Lehman, 2004; Owen, 2008). Among these, a prominent question is what motivates managers to take CSR action, given that generally they are not required by law to do so (but see Guthrie and Parker, 1990; Gray et al, 1995b; Deegan, 2000, 2004; KPMG, 2005, and Appendix D, for some reported exceptions). Indeed, it has been argued that a major setback for the CSR literature to overcome in order to possess coherence is the lack of any agreed theoretical perspective to drive systematic research (Trotman and Bradley, 1981; Ullmann, 1985; Gray et al., 1995a; O’Dwyer, 1999; Tilt, 2003).

1 Gray et al (1987) define Corporate Social Reporting as ‘the process of communicating the social and environmental effects of organisations’ economic actions to particular interest groups within society and to society at large. As such, it involves extending the accountability of organisations (particularly companies), beyond the traditional role of providing a financial account to the owners of capital, in particular, shareholders. Such an extension is predicated upon the assumption that companies do have wider responsibilities than simply to make money for their shareholders’ (p. ix).
Despite that in the past twenty and more years, calls for normative and empirical papers contributing to CSR theorisation are increasing (see Ullmann, 1985; Guthrie and Parker, 1989; Zéghal and Ahmed, 1990; Gray et al., 1997; Mathews, 1997; Deegan, 2002; Tilt, 2003; Parker, 2005), most frequently single theoretical explanations are offered that accept some explanations and reject others, thereby “ignoring the potential variety of explanations for CSR practice (or non-practice) in particular contexts” (O’Dwyer, 1999, p202): only a few research efforts comprehensively review three or more theoretical explanations (Mathews, 1993; Gray et al., 1995a; Gray et al., 1996; Buhr, 1998; Zain, 1999; Campbell, 2000; Woodward et al., 2001; Deegan and Unerman, 2006; Owen, 2008), or provide frameworks modelling the relationships of the theories (Gray et al., 1996; Laughlin, 1990; Woodward et al., 2001; Roberts and Chen, 2006), regardless of the fact that it is widely acknowledged that these perspectives overlap considerably (Gray et al., 1995a; Zain, 1999; O’Dwyer, 1999; Deegan, 2000). As Gray et al pointed out as early as in 1997, these issues need to be addressed “if social accounting now is to develop in any systematic way and neitherizzle out through lack of direction nor be captured and trivialised by powerful organisations” (p326).

Thus, in response to the existence of this apparent vacuum (O’Dwyer, 1999), the aim of this paper, based on the author’s doctoral research, is to investigate motivations for CSR and contribute to the CSR literature in two ways: first, by introducing a framework to model the relationships and synthesise most of the oft-suggested theoretical explanations for CSR; and second, by attempting to empirically consider its applicability by examining the reaction of international aviation companies, in terms of Annual and Sustainability Reports disclosure, to some major social accidents. To support these objectives, it is more specifically attempted to answer whether CSR is a strategic or ethics oriented activity; whether CSR is a more internally/proactive or an externally/reactive driven activity; and whether CSR generally results from organisational attempts to comply with the terms of a contractual relationship between them and their external and internal constituents, or whether other explanations are more applicable.

The paper proceeds as follows: the theoretical framework of the study is reviewed, followed by a discussion on disasters and how these could be related to the framework and have been employed in the CSR literature. The subsequent sections briefly introduce the methods and propositions of the study and present in more detail the findings for each
case. The final section of this paper discusses the results and makes some concluding comments.

2. Theoretical Framework

2.1 Explaining CSR

Attempts to explain why companies are making social disclosures abound (Zain, 1999) and this may be partly attributed to the ongoing debate behind Corporate Social Responsibility (CSRs) and the identified lack of regulation (see Gray et al., 1995a; Gray et al., 1996; Adams et al., 1998; O’Dwyer, 1999; Deegan, 2000; Clikeman, 2004; Deegan, 2004; Turner et al., 2006). An overarching question in the CSR literature is whether CSR is reactive or proactive, whether it is the organisation’s or the society’s interests that prevail (see, Lindblom, 1994; Zain, 1999; O’Dwyer, 1999; Woodward and Woodward, 2001; Woodward et al., 2001; O’Donovan, 2002).

From a reactive point of view it has been suggested that increased Corporate Social Disclosures (CSD) may be expected to occur when an organisation’s legitimacy is threatened (Deegan and Ranking, 1996; Deegan et al., 2002; Tilling, 2004), when organisations face increased media exposure (Media Agenda-Setting Theory – MAST, Deegan et al., 2000; 2002; Patten, 2002a) or increased general public pressure (Boulding, 1978; Patten, 2002b) and generally do not comply with the requirements of an implicit social contract (Shocker and Sethi, 1973, 1974; Gray et al., 1988; Garcia-Lacalle, 2006); when organisations imitate each other and adopt institutionalised practices (institutional theory, DiMaggio and Powell, 1983; Bansal and Roth, 2000; Woodward et al., 2004); or when they face threats to their image (Deegan and Rankin, 1996; Deegan et al., 2000; Adams, 2002). The above arguments would generally comply with a view of accountability “conceived of as a relational issue”, where organisations are “being answerable to and held responsible by others” (Unerman and O’Dwyer, 2006, p353), regardless of how selectively the recipients of the account/stakeholders are identified by their accountable organisations. It should be noted, however, that even when organisations adopt such an externally motivated accountability view, they may still be possibly CSR proactive in case, for example, they are anticipating such future stakeholder needs.
In contrast, there are some other perspectives considering organisations now to be too powerful and able to dictate the agenda, including three distinct approaches to Political Economy of Accounting (PE) theory, most of which emphasise that CSR may be employed by some powerful organisations to control their environments. From this proactive standpoint, CSR may also occur when managers attempt to minimise reported earnings and reduce the likelihood of adverse political actions (Positive Accounting theory (PA), Watts and Zimmerman, 1986; Belkaoui and Karpik, 1989; Milne, 2001); when companies attempt to improve their image to mystify consumers’ perceptions of the firm by simply advertising their legitimacy (Gray and Roberts, 1989; Poiesz, 1989; Adams et al, 1998; Woodward et al, 2001); and when companies want to raise their share performance (Decision Making Theory, Abbot and Monsen, 1979; Anderson and Frankle, 1980; Freedman and Patten, 2004). Even organisations with ethical orientations, however, which would feel that people have an inalienable right to information that should be satisfied by providing an account (Tricker, 1983; Laughlin, 1990; Gray et al, 1988; 1991; 1995a; Zain, 1999; Jones, 2006), would be internally motivated and adopt a generally proactive CSR stance. Yet again, as Unerman and O’Dwyer (2006) note, even in the case of such an adopted ‘identity’ form of accountability, where internally motivated organisations “feel a responsibility… to be accountable… to themselves… in the form of their values, mission and culture” (p356), these may still feel the responsibility to be accountable to stakeholders affected by their actions, and thus appear to be responsive/reactive in their CSR approach.

When one attempts to adopt this action-centred reactive vs proactive theoretical CSR perspectives distinction, therefore, it becomes evident that the offered explanations under each category are quite diverse: proactive explanations may incorporate arguments for powerful organisations employing CSR to manipulate stakeholders but also arguments for organisations truly embracing the accountability notion; likewise, reactive CSD may be a

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2 These approaches to PE include the one where PE is viewed to be the social, political and economic framework within which human life (including CSR and other frameworks, such as legitimacy theory) takes place (PE1, Gray et al, 1995, 1996; Campbell, 2000; Gray, 2001); the one where PE suggests that managers are strong enough (and may also employ CSR) to mediate, mystify, and shape the world (PE2, Benson, 1982; Neimark and Tinker, 1986; Guthrie and Parker, 1989; 1990; Woodward et al, 2001); and the one suggested by Buhr (1998), which considers PE to be the hegemonic perspective assuming that a power élite exists that controls resources and may employ CSR to maintain control, but where, contrary to the PE1 assumption, it is PE which is a means to organisational legitimation, and may be considered as part of a wider legitimacy theory framework (PE3), see also support from O’Donovan, 2002 and even similarities in Guthrie and Parker’s, 1990, definition of PE.

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sign of a responsive corporate stance to the expectations of its constituents but also of an organisation interested in image building and in ultimate survival (see Adams et al, 1998; Woodward et al, 2001; Deegan et al, 2002). As it is argued below, these arguments may be perhaps more suitably classified when incorporated into a revisited legitimacy theory framework.

2.2 Legitimacy theory

The theoretical framework adopted in this study is Legitimacy Theory (LT), probably the most frequently adopted framework in the CSR literature (see Hogner, 1982; Guthrie and Parker, 1989, 1990; Patten, 1992; Pava and Krausz, 1997; Adams and Heart, 1998; Brown and Deegan, 1998; Neu et al, 1998; O’Donovan, 1999; O’Dwyer, 1999; 2002; 2003; Campbell, 2000; Wilmshurst and Frost, 2000; Woodward et al, 2001; Deegan, 2002; Deegan et al, 2002; Patten, 2002a,b; Campbell et al, 2003; Crowther, 2004; Tilling, 2004; Roberts and Chen, 2006). LT posits that a social contract or agreement exists between an enterprise and its constituents, due to which “business agrees to perform various socially desired actions in return for approval of its objectives, other rewards and ultimate survival” (Guthrie and Parker, 1989, p. 344).

Under this perspective, organisations would employ a number of legitimation strategies, to extend, maintain or defend their legitimacy (Ashforth and Gibbs, 1990; Suchman, 1995; Tilling, 2004) and control for potential existing or perceived legitimacy gaps following legitimacy threats (Lindblom, 1994; Deegan, 2000; Savage et al, 2000). Despite its wide employment, however, limited research has been conducted on how LT may incorporate other theoretical arguments towards explaining CSR action (but see Suchman, 1995; Buhr, 1998; Deegan, 2000, 2002; Roberts and Chen, 2006). As Deegan (2002, p.298) admits, “legitimacy theory… can still be considered to be… under-developed… There are many ‘gaps’ in the literature which embraces legitimacy theory” (see also expressed concerns by Hybels, 1995; Suchman, 1995; Mobus, 2005 and Owen, 2008).

Despite Zain’s (1999) arguments that “there is no single theory that is all embracing” (p109), it is argued here that the revisited LT framework can incorporate most of the oft-

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3 It should be noted that it is the organisational LT variant which informs this discussion, as opposed to the legitimacy of the system (Weber, 1966; Habermas, 1973; Gray et al, 1996), political institutions (as discussed by Lindblom, 1994) or individuals (discerned by Luthans, 1985; Woodward et al, 1996).
cited in the literature theoretical explanations for CSR. First, however, there is a need to clarify that legitimacy is perceived here as an operational resource on which organisations are dependent for survival and which they extract, often competitively, from their cultural environments and employ in pursuit of their goals; this view is most notably associated with the work of Pfeffer and his colleagues (Dowling and Pfeffer, 1975, Pfeffer and Salancik, 1978; Pfeffer, 1981, see also Ashforth and Gibbs, 1990). Based on this condition, as the discussion below illustrates, one may identify four distinct organisational variants on how LT and CSR are perceived.

2.3 Legitimacy theory variants

Considering that, as discussed above, legitimacy is a resource on which an organisation is dependent for survival, then all surviving organisations should, to a greater or lesser extent, possess it, including the ones which do not engage with CSR. These organisations “are likely to be strongly profit oriented, perhaps to the exclusion of all other considerations… [they] would meet the minimum legal and ethical requirements only… [and would] conform to the letter of the law, but no more” (Henderson, 1984, p168). In this “pristine capitalist” view (Gray et al, 1996), which has been termed also “fundamentalist” (Lindblom, 1994) and “classical” (Boatright, 2003), “the corporation exists to earn a profit for the owners and, in doing so, makes the appropriate contribution to society” (Lindblom, 1994, p9, see also Friedman, 1962, 1970; Minow, 1996). Thus, accountability is owed only to shareholders and “to be economically viable is to be legitimate, at least so far as the owners of the business are concerned” (Woodward et al, 1996, p332). With regards to their constituents’ potential CSR concerns, these organisations would only seek what Suchman (1995) terms, “passive acquiescence” from their stakeholders for their insignificant CSR employment.

As the KPMG (2005) International Survey of Corporate Responsibility Reporting (ISCRR) has revealed, 36% of the largest 250 members of the Global Fortune 500 (G250) Index and 59% of the top 100 (N100) companies in the 16 surveyed countries (including UK, USA, Japan, Germany, France and Australia) do not publish separate CSR reports nor include any CSR information in their Annual Reports. See also Verschoor (2005) and Campbell and Slack (2006a,b) for supporting evidence.

As Suchman (1995, p575) notes, “A[n] … underacknowledged distinction in studies of legitimacy centers on whether the organization seeks active support or merely passive acquiescence. If an organization simply wants a particular audience to leave it alone, the threshold of legitimation may be quite low. Usually, the organization need only comport with some unproblematic category of social activity (e.g. ‘doing business’). If in contrast, an organization seeks protracted audience intervention (particularly against other entities with competing cadres), the legitimacy demands may be stringent indeed” (see also similar arguments by Ashforth and Gibbs, 1990).
One may further acknowledge, though, an LT variant where organisations are strongly ethics-oriented and presume operating in a socially and environmentally responsible way as a prerequisite for securing sufficient quantities of the legitimacy resource and insuring their long-term preservation (Gladwin et al, 1995). Such organisations would be internally motivated (value driven) but not only to themselves, as the adoption of ‘identity accountability’ approach would entail, but to all affected constituents of their operations (Unerman and O’Dwyer’s (2006) identified as first “rational accountability” variant). They would further feel that they should provide their constituents with an account of their social and environmental activities, regardless of whether this account is actually expected or not and irrespective of the power which every constituent holds in relation to others (Unerman and O’Dwyer, 2006). In this approach one would put the supporters of what Hemphill (1997) names stakeholder capitalism, which takes a firm ethical stand, requiring from humans “to be at the center of any process of value creation” (Freeman, 2002, p115; for other works on business ethics perspectives see, for example Carroll, 1979, 1983; 1991; 1999; Henderson, 1984; Evans, 1991; Bovet, 1994; Frederick, 1994; Libert, 1996; Hemphill, 1997; 1999; 2004; Boatright, 2003). Such organisations would be internally motivated towards CSR (as opposed to external motivation for example from stakeholder pressures) but would also be responsive to their constituents needs and in an attempt to ‘do the right thing’ and discharge their wider accountabilities, they would be expected to provide increased CSR information year after year, and thus to attempt to extend their legitimacy and ask for ‘active support’ (Suchman, 1995) from their constituents, in order to increase pressures on other organisations and raise the overall benefit and stability of the community they are part of (Bovet, 1994; Libert, 1996; Matten and Crane, 2005; Moon et al, 2005).

Still, as the above discussion below subheading 2.1 has illustrated, organisations may employ CSR for a number of other than moral reasons. These organisations would not be interested in being legitimate (in ethical terms) rather than to be seen as legitimate and similarly to the pristine capitalist approaches, would have a profit-orientation. Two broad LT types of organisational approaches with regards to strategic (non-ethical) employment of CSR may then be identified.

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6 As O’Dwyer (1999) elaborates on this, “Just because a company appears to be responsive (through CSR) does not necessarily imply that it is responsible, as the action dimension of responsiveness… is effectively separated from the ethical dimension of responsibility” (p145).
In the first type of approaches, the one that may be referred to as ‘ethics pragmatism’, organisations would acknowledge the importance of providing an account to their identified powerful stakeholders (Clarkson, 1995; Gray et al., 1996; Deegan, 2000) as a condition for maintaining legitimacy for their operations and “avoid[ing] potentially damaging economic impacts on business” (O’Dwyer, 1999, p328). These organisations would be expected to be “very concerned with image building” (Woodward et al., 2001, p387, see also Gray and Roberts, 1989; Creyer and Ross, 1997; Sen and Bhattacharya, 2001), but only to the degree of ensuring that they possess adequate supplies of the legitimacy resource to maintain profitability and long term survival (Bansal and Roth, 2000; Aguilera et al., 2004; Bansal, 2005). They would project to their constituents that they are interested in “profits AND social responsibility” (Henderson, 1984, p170); and, would be driven by the external pressures of their constituents and would seek a passive acquiescence from the latter with regards to their CSR policies. Hence, this approach may incorporate the ‘conventional’ LT perceptions as well as the MAST, public pressure, image and even some institutional arguments described above.

Image–oriented organisations, however, having firstly secured sufficient legitimacy to maintain operating, by considering that they can strategically impact and/or manipulate (Woodward et al., 2001; Deegan, 2002) their legitimacy, may further attempt to extend it and improve their market and economic position (Hart, 1995; Bansal and Roth, 2000; Aguilera et al., 2004; Dillard et al., 2005; Vogel, 2005; Mirvis and Googins, 2006), by employing CSR to, for example, improve reputation, gain additional market share, and/or increase market size and achieve higher levels of customer loyalty (Porter and Van Der Linde, 1995; Adams, 2002; Kusku and Zarkada – Fraser, 2004; Dillard et al., 2005). These organisations would embrace Drucker’s (1984) ‘opportunististic’ views towards CSRes and “would attempt to turn a social problem into economic opportunity” (p62); would be thus internally driven towards CSRes and CSR; and would attempt to attract the attention and seek active support from their constituents, with regards to their legitimacy and CSR, to achieve their objectives. Evidently, this approach may incorporate also the

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7 But, note that this would be more of a projected rather than actual interest. In practice, all corporate entities, including the stakeholder capitalists, should be interested in seeking at least enough profit to maintain their survival and satisfy their owners; however, only in the case of the latter, there is an actual interest for CSR. Arguably, purely ethics oriented organisations are, for example, charities.

8 Public pressure and image arguments are directly related to these arguments, MAST as a factor shaping stakeholders’ expectations (Brown and Deegan, 1998) or even as a stakeholder itself, and institutional arguments, in the sense that organisations would perceive CSR as a pragmatic necessity to conform to institutionalised pressures and maintain legitimacy.
decision making theory, Positive Accounting theory and even Buhr’s (1998) Political Economy theory (PE3) arguments described above.  

The above arguments are graphically represented in Figure 1 below. Overall, and similar to Henderson’s (1984) business ethics conceptualisations, three spectrums may be identified, with regards to organisational legitimacy and CSR. In the ‘profit’ circle, area A, those identified as ‘pristine capitalists’ would be included, that may ensure legitimacy for their operations without having to engage with CSR; whereas, in the other side of the spectrum, the ‘ethics’ circle, area C, those identified as ‘stakeholder capitalists’ would be included, that would employ CSR to satisfy the informational needs of all their identified stakeholders, a considered prerequisite for them for maintaining legitimacy. The profit in disguise area in the middle could be called the ‘image’ circle, where both those identified as ‘ethics pragmatists’ and ‘ethics opportunists’ would operate, that would employ CSR primarily to be seen as legitimate.

Figure 2.3.1 The Legitimacy Circles

However, the existence of some organisations operating under some areas in the borders should be acknowledged also, and shown under two of these circles, depicted as areas X and Y; in these areas, organisations may be either strongly profit oriented and, for

9 From a PE perspective, CSD may “serve as a tool for constructing, sustaining, and legitimizing economic and political arrangements, institutions, and ideological themes which contribute to the corporation’s private interests” (Guthrie and Parker, 1990, p166); similarly from a decision making perspective CSD would be an opportunistic attempt to enhance corporate image or reputation (Gray et al, 1988) and ultimately profitability; and from a PA perspective, CSD may also be seen as an opportunistic attempt of an organisation “to minimize reported earnings… [to] reduce the likelihood of adverse political actions and, thereby, reduce its expected costs” (Watts and Zimmerman, 1986, p115).
example, may be employing some CSR with the sole purpose to further extend this profitability through increased legitimacy (area X) or where organisations are primarily ethics oriented but they may are also concerned, for example, to advertise their ethicality to potentially extend their profitability and secure some more means to actively promote their ethical ventures and, therefore, become more legitimate (area Y). It should be further acknowledged that organisations may adopt a fluid position and may move between or occupy more than one position an any time (McIntosh et al, 2003).

3. Disasters and their Impacts

For the purposes of this research, corporate disclosure reactions to some major legitimacy threats in the form of social and environmental accidents are investigated. As Lindblom (1994) notes, “To the extent corporate performance does not reflect the expectations of the relevant publics a legitimacy gap exists” and “the resulting penalty for any perceived legitimacy gap will come in the form available and deemed appropriate by the particular person or persons” (p3). Organisations then are expected “in the interests of ongoing operations [to] undertake corrective action” (Deegan et al, 2000, p105) and employ CSR as part of a strategy to defend their legitimacy (Perrow, 1970; Ashforth and Gibbs, 1990; Lindblom, 1994; Tilling, 2004).

Accidents can be defined as “discrete one-time undesirable or unfortunate events that happen unexpectedly in the life of a corporation and cause damage to any number or kind of stakeholders” (Zyglidopoulos, 2001, p420). In a world characterised by what Kiely (1983, pxi, cited in Zyglidopoulos, 2001, p421) called “the instant and photographic reporting of calamity” some accidents can receive such an extensive amount of media coverage that they could become landmarks in the history of a particular industry (ibid). This is expected to particularly be the case with accidents in the transport industry (Paterson and Woodward, 2006), because “they provide the permanently starved news media with graphic photographs that can improve their ratings” (Zyglidopoulos, 2001, p421).

Despite the fact that CSR has been a topic of interest within the accounting profession for a number of years (Tilt, 2003) few studies have examined how such external events impact upon the provision of such disclosures (namely Patten, 1992; Walden and
Schwartz, 1997, Deegan and Rankin, 1996; Deegan et al, 2000; Paterson and Woodward, 2006), even though these types of research may be “very productive in terms of adding insight into the role of legitimation strategies” (Lindblom, 1994, p20). All these studies have employed an LT-based perspective, which would be more closely associated to the arguments identified here as ‘ethics pragmatism’. Patten (1992) and Walden and Schwartz (1997) studies both examined the effects of the Exxon Valdez oil spill on Environmental Disclosures on the Annual Reports of selected American industries: the oil industry for Patten (1992) and the oil, consumer products, chemical, and forest products industries for Walden and Schwartz (1997), and they both found that the levels of environmental disclosures increased significantly in the year following the accident.

On the other hand, Deegan and Rankin (1996), Deegan et al (2000) and Paterson and Woodward (2006), have all attempted to examine the reactions of specific companies to legitimacy threats that they were directly involved in: Deegan and Ranking (1996) examined the variations on the Annual Report environmental disclosures of 20 Australian companies that had breached the environmental law; Deegan et al (2000) examined the variations on the Annual Report levels of CSD of 5 Australian companies to some major incidents that related to them, such as oil spills and mine and plant disasters; and in a study more relevant to the present one, Paterson and Woodward (2006) examined the CSD reaction of companies involved in three major transport accidents in the UK: the King’s Cross Underground fire in 1987; the Paddington Rail disaster of 1999; and the Concorde crash outside Paris in 2000. The findings of all these studies lent support to the adopted more ‘pragmatic’ LT arguments in that the corporations sought to address the legitimacy threat by increasing their disclosure of environmental or CSD information.

This study attempts to contribute to this existing limited research considering organisations’ CSD responses to major incidents, by primarily employing a revisited LT framework that allows for alternative explanations for the identified findings to be considered. Further, the study focuses on the aviation industry, where accidents are considered generally to be more ‘news worthy’, with a greater impact on the corporation’s overall reputation (Zyglidopoulos, 2001); it takes an international perspective since companies across three continents are examined; and reviews a wider array of published sources containing social and environmental information (when available) as the subsequent Section 5 on the methods further points out. Since the above studies did not
attempt to identify any alternative legitimacy–based perspectives as this research, they, consequently, employed simpler propositions from the present ones, described in detail below.

4. Propositions

A number of propositions could be drawn from the above theoretical discussion:

1. Following the accident, levels of total CSD, and,
2. Levels of Health and Safety (H&S) CSD in the company’s Annual and Sustainability Reports will increase.

This is the central proposition of this study and is expected to hold for all three legitimacy based types of organisations engaging with CSR (although, the increased public pressure may even compel the ‘pristine capitalists’ to start disclosing some voluntary CSD information). A possible no response strategy (O’Donovan, 2002) or even a decrease to the level of CSD following the accident would clearly signify that organisations do not perceive CSR to be part of the requirements of an implicit social contract with their constituents and other theoretical explanations need to be sought (such as PE1 and PE2 or Institutional theory). It is expected that this would be particularly the case for the H&S disclosure, due to the related direct impacts of the selected accidents.

3. Following the accident, levels of positive CSD, and,
4. Levels of negative CSD in the company’s annual reports will increase.

A number of large-sample studies have revealed that managers “attribute negative organizational outcomes to uncontrollable environmental causes and positive outcomes to their own actions” (Abrahamson and Park, 1994, p1302, a justification supported by Bowman, 1976; Bettman and Weitz, 1983; Staw et al, 1983; Salancik and Meindl, 1984). As Pfeffer (1981) elaborated on this, organisations would be expected to adopt strategies involving “the selective release of information which is… defined along criteria more favourable to the organization… measured along criteria which are more readily controlled by the organization, and… acceptable to those interested in the organization” (p30).
In the CSR context, organisations in order to regain legitimacy would be expected to increase the amounts of their positive CSD, in an attempt to change public perceptions (O’Donovan, 2002) and to prove that they benefit society as a whole (Paterson and Woodward, 2006). The ethics-oriented approaches would be also expected to admit guilt and not conceal the negative impacts of their operations, and thus also increase the levels of negative CSD in their reports, following the accident. Even the image-oriented organisations, however, may increase their negative CSD following the accident “in an attempt to diffuse the situation by creating the impression … of honesty” (Savage et al, 2000, p50).

5. Following the accident, levels of substantive CSD, and,
6. Levels of symbolic CSD in the company’s Annual Report will increase.

The distinction of substantive vs symbolic legitimation has been brought forward by Pfeffer and colleagues (Pfeffer and Salancik, 1978; Pfeffer, 1981, see also Richardson, 1985; Ashforth and Gibbs, 1990) and has not been employed widely in the CSR context (but see Savage et al, 2000; Day and Woodward, 2004). Substantive legitimation is evident in the works of Rousseau and Habermas and involves “real, material change to organizational goals, structures and processes, or in socially institutionalized practices” (Savage et al, 2000, p48). Symbolic legitimation on the other hand traces its roots to the work of Marx and Weber; it involves “the symbolic transformation of the identity or meaning of acts to conform to social values” and is predicated on that “the acceptance of authority resides in the belief in the legitimacy of the order independently of the validity of that order” (Richardson, 1985, p143, emphasis in original).

Organisations with an ethics-oriented approach would be expected to be generally willing to bear the higher costs and provide more concrete, substantive information to their constituents; whereas, companies adopting an image-centred approach would tend to favour symbolic approaches, “since they are more economical and flexible than substantive actions” (Savage et al, 2000, p 48). Following a major legitimacy threat, however, even image-oriented organisations would be expected to respond with some substantive CSD, in an attempt, for example, to show that they conform to the higher performance expectations of the constituents or to alter the societal definition of legitimacy (ibid).
5. Methods

The methods adopted in this study involve a longitudinal case study research design with Content Analysis (CA) as the data collection and analysis method. Case studies are frequently employed in the CSR literature (see Hogner, 1982; Guthrie and Parker, 1989; Campbell, 2000; Cormier and Gordon, 2001; Larrinaga-Gonzalez et al., 2001; Deegan et al., 2002; Mowat, 2002; Gago, 2002; Rahaman et al., 2004). This approach allows the researcher “to deal with the subtleties and intricacies of complex social situations” (Denscombe, 2003, p38), to further “explain the causal links in real-life interventions that are too complex for the survey or experimental strategies” (Yin, 1994, p15) and can therefore, ease both theory-building and theory-testing (Denscombe, 2003).

A longitudinal case study approach seems to be particularly suitable for this study, since in order to investigate the above set propositions, companies that have faced major legitimacy threats need to be examined and a detailed and longitudinal analysis of the investigated organisation’s CSR disclosing patterns, involving varied approaches to data analysis, needs to be conducted (see also Hogner, 1982; Guthrie and Parker, 1989; Campbell, 2000; Campbell et al., 2003 for other CSR longitudinal approaches). In contrast to the Paterson and Woodward’s (2006) which employed two sample years and to Deegan et al’s (2000) which employed four, the CSD of the reviewed companies is examined over five years around the accident (two prior to, on the year of, and two following the accident), in an attempt to more comprehensively review any CSD variations before and after the accidents.

For data collection and analysis, a largely qualitative form of Content Analysis (CA) was employed, described in detail in Vourvachis (2007). In brief, this first involves utilising any sustainability reports available, in addition to the Annual Reports, as sampling units (data) for the analysis. For BA, this involved the inclusion in the analysis of their annually published Environmental Reports or their Social and Environmental Reports, where appropriate, and their Supplementary Data Reports. For SIA the analysis is restricted to the published Annual Reports, as only one Environmental Report was published in the last examined year.
With regards to the CA context, as the discussion on the study’s propositions has indicated, originally four CSD classifications were adopted. These included the theme of CSD (for detailed categories and decision rules of which see Appendix A); the substantive vs symbolic CSD (a brief outline of which, based on the Savage et al [2000] study, is provided in Appendix B); the positive vs negative CSD (some illustrations of which are provided in Appendix C); and the mandatory vs voluntary CSD, originally adopted for the purposes of the BA case study, but later aborted (see Appendix D for what was perceived as UK mandatory CSD at that time).

The mandatory vs voluntary CSD distinction was aborted primarily because of the unavailability of the relevant legislation in countries other than the UK. However, as Table 5.1 below illustrates, in the case of BA, generally mandatory CSD remained minimal and did not vary considerably throughout the examined period (from 1.87 pages in 1999, accounting for a 3 per cent of total CSD to 2.78 pages and 10 per cent in 2003). It is not expected, therefore, that the abortion of this distinction for SIA and the remaining case studies to have greatly affected the generated results, particularly since what is primarily investigated is not how much voluntary CSD is reported per se, but the change in reporting across the specified time periods. And as the subsequent Table 5.2 reveals, primarily due to the small proportion of the mandatory CSD, the voluntary CSD follows almost identical change patterns as the total CSD.

Table 5.1: BA mandatory vs voluntary CSD (pages) in proportions of total CSD

<table>
<thead>
<tr>
<th></th>
<th>Pre-accident</th>
<th>Post-accident</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1999</td>
<td>2000</td>
</tr>
<tr>
<td>CSD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mandatory</td>
<td>1.87</td>
<td>1.77</td>
</tr>
<tr>
<td></td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Voluntary</td>
<td>60.59</td>
<td>61.95</td>
</tr>
<tr>
<td></td>
<td>97%</td>
<td>97%</td>
</tr>
<tr>
<td>Total</td>
<td>62.46</td>
<td>63.72</td>
</tr>
<tr>
<td></td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>
Table 5.2: BA mandatory vs voluntary CSD (pages and % of year to year change)

<table>
<thead>
<tr>
<th></th>
<th>Pre-accident</th>
<th>Post-accident</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1999</td>
<td>2000</td>
</tr>
<tr>
<td>CSD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mandatory</td>
<td>1.87</td>
<td>1.77</td>
</tr>
<tr>
<td>Voluntary</td>
<td>60.59</td>
<td>61.95</td>
</tr>
<tr>
<td>Total</td>
<td>62.46</td>
<td>63.72</td>
</tr>
</tbody>
</table>

As recording/measurement unit, a page size approach largely based on the work of Hackson and Milne (1996) was employed, where “the written and pictorial part of a page… [is] considered to be the page itself” (Gray et al., 1995b, fn16, p90). This generally involved firstly counting sentences; then deriving a page measure pertaining to narrative information, by adjusting the sentences to an average sentences per page ratio; and finally adding to the latter the derived measure of the non-narrative (pictorial) information, including tables, graphs and images, measured by using a page-adjusted grid, to get an estimate of the total CSD in pages (see Vourvachis, 2007, for justifications/further details on this approach). This resulted in finally the CSD to be measured in sentences, pages and (when adjusting for the total pages for each report for Annual Reports only) proportions of report, in an attempt to better capture the variations in CSD. Nevertheless, as demonstrated later in the analysis, the results across measurement units are largely consistent and the page measure is employed for most illustrations.

In addition to the more quantitative CA approach described above, focusing on the manifest content of information and employing customised pre-determined categories, some qualitative analysis of the collected CSD is also employed, in an attempt to generate some inductive categories and investigate the latent content of the analysed information. This largely follows the Bebbington and Gray’s (2000) approach, which implicitly draws on Yin’s (2003) ‘pattern matching’ and ‘explanation building’ techniques: it generally involves ‘scanning’ the text for information that could be relevant, supporting or not, to each of the identified variants of the framework and also identifying data that could not be explained by any variant, to use as input for further refinements on the framework, in an
attempt to explain all the data. The findings per case from both the quantitative and qualitative CA are presented next.

6. Findings

6.1 The Singapore Airlines (SIA) case study

6.1.1 The accident

Designated as Flight 006, the wide-bodied Boeing 747 SIA jetliner crashed during taking off at the T’ai-pei International Airport on the 31st of October 2000 at 23.20. The disaster resulted in the death of 83 of the 179 persons aboard the aircraft, including four cabin attendants. Among the survivors, 57 passengers and 13 crew members suffered injuries and 25 other persons escaped unscathed, the latter including two of the three flight crewmen (Gero, 2006). This was the Airline’s first fatal accident (SIA, 2001).

Authorised to use runway 05-Left, the aircraft inexplicably began its take-off on the adjacent 05-Right, which was partially closed due to work in progress. Slightly more than half a minute after commencing its ground run, at a ground speed of approximately 150 mph (250kmh), the 747 struck several barriers, some construction equipment, including a bulldozer, and a pile of metal reinforcement bars that were on the runway (Gero, 2006). The aircraft then broke into several large pieces and caught fire. The accident occurred in darkness and adverse meteorological conditions that were associated with a typhoon located approximately 200 miles (320 km) to the south (ibid).

The investigative report by the Taiwanese Aviation Safety Council (ASC) concluded that the pilots having ignored a number of visible signs, “lost situational awareness” in entering and commencing take-off on the wrong runway, possibly affected by the poor weather and wet runway conditions. With regard to the survival issue, the ASC found that the airline’s emergency evacuation training, though generally meeting the industry standards, did not include methods of dealing with exposure to adverse meteorological elements, fire and smoke. The aircraft’s public address system also failed, and the airline did not seem to have a back-up plan for such a contingency (ibid).
A Singaporean specialist team, however, claimed that the ASC report had presented an “unbalanced account” of the accident, which minimised the significance of the many systemic factors they considered as contributory, including deficiencies in runway lighting, signage and markings at the airport. They viewed the cause of the disaster as “a failure of the aviation system”, emphasising the airport’s deficiencies rather than the crew’s errors. Although SIA (2001) originally seemed to espouse this team’s views, they eventually had to comply with the ASC’s rules and ended up settling a number of lawsuits. Two of the three pilots of that flight were subsequently dismissed.

6.1.2 The quantitative CA evidence

Despite the disagreements regarding the causes of the accident, it appears to have had an impact on SIA’s CSR, as the following quantitative CA analysis of the two Annual Reports preceding and the three following the disaster indicate. The following Tables 6.1.1 and 6.1.2 summarise the variations of the total Corporate Social Disclosure (CSD) and also, more specifically, of the Health and Safety (H&S) disclosure per measurement method over the selected five year period.

Table 6.1.1: Total CSD per measurement unit (and % of year to year change)

<table>
<thead>
<tr>
<th>Disclosure per measurement unit</th>
<th>Sentences</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>12%</td>
<td>83%</td>
<td>21%</td>
<td>(22%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proportion of report</td>
<td>5.5%</td>
<td>6.8%</td>
<td>11.4%</td>
<td>11.8%</td>
<td>11.4%</td>
<td></td>
</tr>
<tr>
<td>Narrative</td>
<td>3.44</td>
<td>7.85</td>
<td>7.60</td>
<td>6.43</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>12%</td>
<td>128%</td>
<td>(3%)</td>
<td>(15%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pictorial</td>
<td>1.83</td>
<td>4.28</td>
<td>6.07</td>
<td>7.45</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>51%</td>
<td>55%</td>
<td>42%</td>
<td>23%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4.91</td>
<td>6.21</td>
<td>12.13</td>
<td>13.67</td>
<td>13.88</td>
<td></td>
</tr>
<tr>
<td></td>
<td>26%</td>
<td>95%</td>
<td>13%</td>
<td>2%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 6.1.1: Total CSD per measurement unit (and % of year to year change)
Table 6.1.2: H&S CSD per measurement unit (and % of year to year change)

<table>
<thead>
<tr>
<th></th>
<th>Pre-accident</th>
<th>Post-accident</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1999</td>
<td>2000</td>
</tr>
<tr>
<td>Sentences</td>
<td>8</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>50%</td>
<td>200%</td>
</tr>
<tr>
<td>Narrative</td>
<td>0.32</td>
<td>0.48</td>
</tr>
<tr>
<td></td>
<td>50%</td>
<td>275%</td>
</tr>
<tr>
<td>Pictorial</td>
<td>0</td>
<td>0.16</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>100%</td>
</tr>
<tr>
<td>Total</td>
<td>0.32</td>
<td>0.64</td>
</tr>
<tr>
<td></td>
<td>100%</td>
<td>231%</td>
</tr>
<tr>
<td>Proportion of</td>
<td>0.4%</td>
<td>0.7%</td>
</tr>
<tr>
<td>report</td>
<td>75%</td>
<td>186%</td>
</tr>
</tbody>
</table>

The findings strongly support propositions 1 and 2, since following the accident both the total and the H&S CSD levels in the company’s reports increase, regardless of the opted measurement method. When considering the total CSD, this increase ranges from 68% (proportion of report as measurement unit) to 95% (total page size data). H&S CSD provide an even greater support for the proposition 1, ranging from 186% (proportion of report) to 231% (total pages). Total disclosures seem to continue their upward trend even for the next year, although in a substantially decreased rate, in a range of 4% to 21%, although the H&S seem to follow then a downward trend, with the exception of sentences (slight increase 6% versus decreases 28% and 35% for the pages and proportion of report measures respectively).

Arguably, the levels of increased total CSD following the accident, could be perceived as a response to the major legitimacy threat that the whole industry faced as a whole following the September 11th terrorist attacks, which “shattered the confidence of the travelling public and plunged the aviation industry into its worst financial crisis” (SIA, 2002, p6). It is further important to note that in year 2002 SIA also published its first Environmental Report (SIA, 2002), which was not considered in these findings due to (un)availability reasons but would have further augmented the levels of CSD following the accident.
The publication of such standalone environmental reports possibly explains the low proportion of the environmental information to the whole of the disclosed CSR, as the following tables reveal, at least for that last examined year. Tables 6.1.3 and 6.1.4 summarise the findings per theme of disclosure and as a proportion to the whole CSR information per year in sentences and in pages, respectively. Similarly to the above tables, the choice of the measurement unit does not seem to affect greatly the main drawn inferences.

As the tables illustrate, the prevailing disclosure themes are firstly workplace and then marketplace, with the environment appearing to be the most ‘neglected’ area of the Annual Report disclosure. SIA generally do seem to disclose larger quantities of information that could be considered of interest to their customers rather than their employees, such as information about the food, their seats, on-line booking systems and on-board entertainment; however, most of this information was not perceived to be and recorded as CSR, in line with the adopted inclusion and exclusion criteria.

Table 6.1.3: Theme of CSD (sentences) in proportions

<table>
<thead>
<tr>
<th>Type of Disclosure</th>
<th>Pre-accident</th>
<th>Post-accident</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1999</td>
<td>2000</td>
</tr>
<tr>
<td>Health &amp; Safety</td>
<td>8</td>
<td>12</td>
</tr>
<tr>
<td>Community</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Workplace</td>
<td>29</td>
<td>40</td>
</tr>
<tr>
<td>Marketplace</td>
<td>14</td>
<td>10</td>
</tr>
<tr>
<td>Environment</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>Other</td>
<td>11</td>
<td>12</td>
</tr>
<tr>
<td>Total</td>
<td>77</td>
<td>86</td>
</tr>
<tr>
<td></td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>
Table 6.1.4: Theme of CSD (pages) in proportions

<table>
<thead>
<tr>
<th>Type of Disclosure</th>
<th>Pre-accident</th>
<th>Post-accident</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1999</td>
<td>2000</td>
</tr>
<tr>
<td>Health &amp; Safety</td>
<td>0.32</td>
<td>0.64</td>
</tr>
<tr>
<td></td>
<td>7%</td>
<td>11%</td>
</tr>
<tr>
<td>Marketplace</td>
<td>0.56</td>
<td>0.66</td>
</tr>
<tr>
<td></td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>Workplace</td>
<td>2.16</td>
<td>2.79</td>
</tr>
<tr>
<td></td>
<td>44%</td>
<td>45%</td>
</tr>
<tr>
<td>Community</td>
<td>0.54</td>
<td>0.72</td>
</tr>
<tr>
<td></td>
<td>11%</td>
<td>12%</td>
</tr>
<tr>
<td>Environment</td>
<td>0.28</td>
<td>0.08</td>
</tr>
<tr>
<td></td>
<td>6%</td>
<td>2%</td>
</tr>
<tr>
<td>Other</td>
<td>1.05</td>
<td>1.16</td>
</tr>
<tr>
<td></td>
<td>21%</td>
<td>19%</td>
</tr>
<tr>
<td>Total</td>
<td>4.91</td>
<td>6.21</td>
</tr>
<tr>
<td></td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

As Tables 6.1.3 and 6.1.4 further illustrate, following the accident, the levels of disclosure increase for most of the CSR themes, with the exception of workplace. As a result, and apparently only for that year and with the exception of the environment, all the rest of the disclosure themes interestingly appear to be largely equally represented, with their proportions to the total CSD to vary from 17% (Community, Marketplace and H&S) to 27% (Other CSD). This could be interpreted as an organisational attempt to satisfy all potentially affected constituents following the legitimacy threat and is further supportive of the adopted LT framework.

The following tables allow for an assessment of the quality of the disclosed CSR and further refine the adopted organisational LT stance. Table 6.1.5 summarises the findings in terms of the positive vs negative CSD for the total and H&S disclosures.
Table 6.1.5: Positive vs negative CSD (in pages and % of year to year change)

<table>
<thead>
<tr>
<th></th>
<th>Pre-accident</th>
<th>Post-accident</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1999</td>
<td>2000</td>
</tr>
<tr>
<td>Positive</td>
<td>0.28</td>
<td>0.54</td>
</tr>
<tr>
<td></td>
<td>93%</td>
<td>193%</td>
</tr>
<tr>
<td>Negative</td>
<td>0.04</td>
<td>0.06</td>
</tr>
<tr>
<td></td>
<td>50%</td>
<td>800%</td>
</tr>
<tr>
<td>Neutral</td>
<td>0</td>
<td>0.04</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>(100%)</td>
</tr>
<tr>
<td>Total disclosure</td>
<td>4.55</td>
<td>5.40</td>
</tr>
<tr>
<td></td>
<td>19%</td>
<td>101%</td>
</tr>
<tr>
<td>Positive</td>
<td>0.28</td>
<td>0.37</td>
</tr>
<tr>
<td></td>
<td>32%</td>
<td>114%</td>
</tr>
<tr>
<td>Negative</td>
<td>0.08</td>
<td>0.44</td>
</tr>
<tr>
<td></td>
<td>450%</td>
<td>14%</td>
</tr>
<tr>
<td>Neutral</td>
<td>0.08</td>
<td>0.44</td>
</tr>
<tr>
<td></td>
<td>450%</td>
<td>14%</td>
</tr>
<tr>
<td>Total</td>
<td>4.91</td>
<td>6.21</td>
</tr>
<tr>
<td></td>
<td>26%</td>
<td>95%</td>
</tr>
</tbody>
</table>

Both positive and negative disclosures largely follow the same patterns as total disclosure and strongly increase following the accident, lending support to the supportive of LT propositions 3 and 4 (note that a similar to Patten and Crampton (2004) attempt is made to view the disclosure in its context and minimise neutral disclosures). The positive and negative H&S disclosures increase by 193% and 800% respectively in the year following the accident, whereas the total positive and negative CSD increase by 101% and 114%, respectively. Positive disclosures then decrease whereas negative ones further increase in the following year.

During the two years prior to the accident the main issue of concern for SIA appears to be the recovery from the Asian Economic crisis, which had been however “faster than expected” (SIA, 2001, p7); the main negative event, therefore, affecting their reporting in 2001 was the fatal accident, which resulted in both human and financial losses. The decrease in positive and increase in negative CSD during 2002 is most likely because this appeared to be “the most difficult year in SIA’s history” (SIA, 2002, p5), following the 9/11 attacks. These accounted for the presence of a number of negative CSR disclosures, such as the levels of cancelled orders, pay cuts, and decreases in staff strength and in
value added to be reported. Although 2003 was still not perceived by them to be a good year for SIA (Iraq war, SARS), they seem to bounce back and increase their positive (increased value added, marginal increases in staff strength) and decrease their negative CSD (primarily pay cuts and less routes/destinations).

Although the findings so far lend support to the first proposition, and therefore, to the revised Legitimacy Theory (LT) framework as a whole, they still do not assist towards distinguishing which of the main three LT variants could better explain SIA’s stance towards CSR. This is because (a) all stakeholder capitalist, ethics pragmatist and ethics opportunist variants would have been expected to increase their levels of CSD to defend their legitimacy and (b) it is difficult to infer whether in SIA, by disclosing both positive and negative CSD, attempts to be honest or simply to create the impression of honesty and change public perceptions. Table 6.1.6 below summarises the findings in terms of the substantive vs symbolic CSD for the total and H&S disclosures, which appears to be a more useful distinction in this respect.

Table 6.1.6: Substantive vs symbolic CSD (in pages and % of year to year change)

<table>
<thead>
<tr>
<th></th>
<th>Pre-accident</th>
<th>Post-accident</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1999</td>
<td>2000</td>
</tr>
<tr>
<td><strong>H&amp;S disclosure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Substantive</td>
<td>0.24</td>
<td>0.52</td>
</tr>
<tr>
<td></td>
<td>117%</td>
<td>187%</td>
</tr>
<tr>
<td>Symbolic</td>
<td>0.08</td>
<td>0.12</td>
</tr>
<tr>
<td></td>
<td>50%</td>
<td>425%</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total disclosure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Substantive</td>
<td>3.29</td>
<td>4.97</td>
</tr>
<tr>
<td></td>
<td>51%</td>
<td>92%</td>
</tr>
<tr>
<td>Symbolic</td>
<td>1.58</td>
<td>1.24</td>
</tr>
<tr>
<td></td>
<td>(22%)</td>
<td>49%</td>
</tr>
<tr>
<td>Other</td>
<td>0.04</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>(100%)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4.91</td>
<td>6.21</td>
</tr>
<tr>
<td></td>
<td>26%</td>
<td>95%</td>
</tr>
</tbody>
</table>
The findings lend strong support for LT supportive propositions 5 and 6 since following the accident, both levels of substantive and symbolic CSD increased. The substantive and symbolic H&S disclosures increased by 187% and 425% respectively, whereas the total substantive and symbolic CSD increased by 92% and 49%, respectively.

It is important to emphasise that SIA increased to a particularly greater extent their symbolic rather than their substantive H&S CSD following the accident. They did so, mainly by considerably expanding their section devoted to renewal of the fleet in a largely symbolic manner, for example, often repeating information on their orders and describing these in much greater detail than in the past. Similarly, a large part of their total substantive CSD increase was because, following the accident they developed a dedicated one and a half page award section in the report listing all their accolades, whilst in the reports preceding the accident these had been described in just one sixth of a page. These practices lend support to Savage et al’s (2000, p48) arguments for such symbolic approaches being “more economical and flexible than substantive actions” and reveal an organisation who seem more interested to be seen to be legitimate rather than to be acting legitimately.

Given that SIA had minimal CSD in the years preceding the accident and they seemed to decrease it two years following the accident, they do not seem to be acting as ethics opportunists, attempting “to turn a problem into economic opportunity” (Drucker, 1984, p62). They seem rather to be acting as ethics pragmatists, increasing disclosure in an attempt to defend their legitimacy and “avoid potentially damaging economic impacts on business” (O’Dwyer, 1999, p328).

6.1.3 The qualitative CA evidence

The ‘pragmatic’ orientation of SIA is more evident when a qualitative CA perspective is adopted. SIA seem to generally perceive their Annual Report as a means to communicate with their constituents, and they seem to change the focus of their reporting according to their perceived needs at the time, as ethics pragmatist are expected to do. In the first years under review, preceding the air crash, their focus was on reassuring the investors they had recovered from the Asian economies crisis. Consequently, the main CSR disclosure regarded acknowledging the contribution of their employees to this recovery, such as:
“SIA’s workforce also responded positively to help protect the airline from the effects of the crisis. Staff were active in minimising costs and improving efficiency and productivity during the year. In addition, many staff members also decided to forgo their annual wage increments in a marvellous display of loyalty. Such actions helped ease the pressures and allowed SIA to stay focused on its objective of delivering the best service to customers” (SIA, 1999, p5), and,

“The key to such recognition has been the skill and commitment of SIA employees. This has been the cornerstone of the Group’s impressive performance” (SIA, 2000, p12).

Following the accident, however, SIA seemed to become particularly concerned with minimising the potential negative impacts of this legitimacy threat, primarily to their customers. As a result, as documented earlier, they started expanding their awards and general customer services sections in their report, but also simultaneously started emphasising their fleet renewal programmes in particular. For the first time, the 2001 Chairman’s statement devoted a large section to discussing the latter and the following extract was (the sole one) in large typeface:

“SIA’s fleet renewal programme is one of its hallmarks… but even by SIA’s standards, it was a remarkable year for aircraft orders” (SIA, 2001, p6).

The way that the news of the accident was presented further down on the Chairman’s statement is also illustrative of how particularly concerned SIA were to offset the potential negative impacts to their reputation (as opposed to admitting responsibility of the accident as stakeholder capitalists would be expected to do):

“In October, SIA scaled new heights and experienced its darkest hour in the matter of a few weeks. For the first time, it was ranked as the world's most admired airline in Fortune magazine's prestigious annual survey. This was followed by an almost clean sweep of the Business Traveller Asia-Pacific 2000 Annual Travel Awards, including 'Best International Airline'. But in the very last hour of October, according to Singapore time, the Airline's proud accident-free record came to an end on a closed runway in Taipei. SIA received praise and much goodwill for its
handling of the crisis, and it has pledged to recover and emerge an even better and stronger airline, but memories of this horrific accident, and those who passed away, will always remain with us” (ibid).

In the next year, following the 09/11 attacks which affected the whole industry, their focus turned back to reassuring their investors that they were managing well the new crisis, but at the same time were assuring their customers that all safety and customer service standards were still in place, potentially considering that their image was still fragile, due to the previous year’s accident:

“The year ending 31 March 2002 will be remembered as the most difficult in the 30-year history of Singapore Airlines. It was a year when staff rose to the challenge of weathering the tough economic and security conditions and positioning the Airline to prosper during the recovery… All divisions and subsidiaries were directed to review their budget plans. Non-essential projects were deferred or cancelled. Only those that were critical to maintaining service and safety standards, or were key platforms for future growth, were allowed to proceed” (SIA, 2002, p13), and,

“What can be said is that SIA is doing as much as any major airline to ensure the safety of its passengers and crew” (ibid., p19).

In 2003, SIA seemed to aim to convince their potentially resistant employees to permanent pay-cuts in particular, and they used their Annual Report to demonstrate that need. In the Chairman’s statement for the first time the unions are mentioned and a detailed discussion is provided on how American and European airlines employ similar practices to ensure survival. The sole message in a large typeface on the statement reads:

“It is, therefore, important for SIA management, staff and unions to embrace the realities of the new world, to change our minders, and to move forward and do the right things. Together I am confident we will overcome these adversities and emerge stronger” (p6).
Nevertheless, perhaps the clearest sign of the ‘pragmatic’ approach that SIA adopts with regards to their CSR is that, although for some of their activities they attempt to show themselves as acting as stakeholder capitalists:

“As one of the world's most successful international airlines, SIA has a special duty to be a responsible corporate citizen and give back to the communities where it operates” (SIA, 2001, p28),

they end up admitting that, for example, the only reason they are engaging with CSR is because their constituents are concerned:

“With these accomplishments, the air transport industry also accepts that its impact on the environment is a concern to air transport users and local communities, especially the people who live near airports” (SIA, 2006, p1).

6.2 The British Airways (BA) case study

6.2.1 The accident

Following its departure from Paris’ Charles de Gaulle Airport on a non-scheduled service to New York city, on 25 July 2000 the Concorde suffered its first fatal accident in this fiery crash 10 miles (15km) north-east of Paris, after nearly a quarter of a century of providing the only sustained supersonic passenger service (Gero, 2006). All 109 persons abroad, including the nine members of its crew, plus four others on the ground perished in the disaster, and an additional six persons suffered injuries.

Chartered by a German tour company and carrying passengers who were to cap their transatlantic trip with a Caribbean cruise, the Air France Concorde began its take-off from Runway 26-Right. After reaching a speed of around 200 mph (320Kmh) a tyre ran over a strip of metal lying on the pavement, which caused a fire on the left side of the aircraft. Lifting off, the jetliner was airborne for about a minute unable to maintain either speed or altitude, before striking a hotel and exploding 3.3 miles (5.5km) from the end of the runway (Gero, 2006).
Only the previous day, safety issues had emerged as BA was forced to admit that all seven of its Concorde fleet had hairline cracks in their wings and, taken together, these two events led to a serious concern for safety amongst both the general public and the aviation industry (Paterson and Woodward, 2006). As a consequence, both the French and the British Civil Aviation Authority (CAA) revoked Concorde’s certificate of airworthiness. Although some modifications were made and the Concorde re-entered into regular service in November 2001, in the spring of 2003 its only two operators, Air France and British Airways, announced that due to low passenger loads, high maintenance cost and the general slowdown in the airline industry, they would terminate its service by the end of the year, withdrawing from use the rest of the aircraft (Gero, 2006).

6.2.2 The quantitative CA evidence

Despite that the accident did not directly involve British Airways (BA), the subsequent grounding of their Concorde fleet and the increased public concern for safety, appear to have had an impact on BA’s CSR as the following quantitative CA analysis of the Annual and Sustainability reports preceding and following the disaster indicate. Tables 6.2.1 and 6.2.2 summarise the variations of the total and H&S voluntary CSD per measurement method over the selected period.

Table 6.2.1: Total voluntary CSD per measurement unit (and % of year to year change)

<table>
<thead>
<tr>
<th>Disclosure per measurement unit</th>
<th>Pre-accident</th>
<th>Post-accident</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1999</td>
<td>2000</td>
</tr>
<tr>
<td>Sentences</td>
<td>721</td>
<td>1,027</td>
</tr>
<tr>
<td></td>
<td>42%</td>
<td>3%</td>
</tr>
<tr>
<td>Narrative</td>
<td>26.54</td>
<td>36.83</td>
</tr>
<tr>
<td></td>
<td>39%</td>
<td>(8%)</td>
</tr>
<tr>
<td>Pictorial</td>
<td>34.05</td>
<td>25.12</td>
</tr>
<tr>
<td></td>
<td>(26%)</td>
<td>31%</td>
</tr>
<tr>
<td>Total</td>
<td>60.59</td>
<td>61.95</td>
</tr>
<tr>
<td></td>
<td>2%</td>
<td>8%</td>
</tr>
<tr>
<td>% of Annual Report</td>
<td>7.8%</td>
<td>4.3%</td>
</tr>
<tr>
<td></td>
<td>(45%)</td>
<td>30%</td>
</tr>
</tbody>
</table>
Table 6.2.2: H&S voluntary CSD per measurement unit (and % of year to year change)

<table>
<thead>
<tr>
<th></th>
<th>Pre-accident</th>
<th>Post-accident</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1999</td>
<td>2000</td>
</tr>
<tr>
<td>Sentences</td>
<td>97</td>
<td>134</td>
</tr>
<tr>
<td></td>
<td>38%</td>
<td>51%</td>
</tr>
<tr>
<td>Narrative</td>
<td>3.57</td>
<td>4.79</td>
</tr>
<tr>
<td></td>
<td>34%</td>
<td>35%</td>
</tr>
<tr>
<td>Pictorial</td>
<td>7.69</td>
<td>4.19</td>
</tr>
<tr>
<td></td>
<td>(46%)</td>
<td>118%</td>
</tr>
<tr>
<td>Total</td>
<td>11.26</td>
<td>8.98</td>
</tr>
<tr>
<td></td>
<td>(20%)</td>
<td>74%</td>
</tr>
<tr>
<td>% of Annual Report</td>
<td>1.5%</td>
<td>0.5%</td>
</tr>
<tr>
<td></td>
<td>(67%)</td>
<td>80%</td>
</tr>
</tbody>
</table>

The findings support propositions 1 and 2 since following the accident both the total and the H&S CSD levels in the company’s reports increase, regardless of the opted measurement method and then start decreasing in the subsequent years. For total voluntary CSD the increase ranges from 3% (sentences) to 30% (proportion of Annual Report). The support is greater for proposition 2, where the H&S voluntary CSD increase in the year of the accident ranges from 51% (sentences) to 80% (proportion of Annual Report). Both the total and the H&S voluntary CSD levels in BA’s reports progressively decrease in the subsequent to the accident years, giving further support to propositions 1 and 2.

The following two tables break down the variance of total voluntary CSD in terms of type of reporting. As Table 6.2.3 illustrates, the Annual Report accounted only from 4% (year 2000) to 13% (year 2003) of the total voluntary CSD across the sampled years. This finding further supports Unerman’s (2000) empirically verified conclusion that “future studies focusing exclusively on annual reports might not produce particularly relevant results” (p674). In general, it seems that the sustainability reports operate as an appendix to the Annual Reports, where frequent references to the former are made. Particularly in the last two examined years, internet reporting is also frequently referenced on both Annual and Sustainability Reports.
As evident in Table 6.2.4, the 8% increase on the total CSD following the accident is mainly due to the 25% increase in the supplementary data. It should be noted, however, that in this kind of reporting following the accident, often BA seems to provide information just for the sake of increasing the published CSD (particularly given that this type of data are only available on-line and are exclusively in tabular form, they are thus a cheap way of doing so). For example, in the Supplementary Data 2001 they provide a table for the conservation organisations assisted in 1999/2000 and then, with the intermission of one table, they provide an additional table with the conservation organisations assisted in 2000/2001, containing exactly the same organisations. In other cases, eg Supplementary Data 2001, pp22-23, they provide separate tables to discuss their noise impacts on Heathrow and Gatwick and then subsequently, they put the two tables
together to form a third table for comparisons, and thus repeat CSD without adding additional information. The fact that BA proportionally increases the use of this flexible and cheap publication method in the two years following the accident, signifies an organisation particularly image-concerned rather than ethics-motivated towards CSR.

Table 6.2.5 summarises the findings per theme of CSD and as a proportion to the whole CSR information per year in pages. It appears that, following the accident, the levels of disclosure increase for most of the CSR themes, with the marginal exception of the Marketplace. The prevailing disclosure theme is environment, originally accounting for half of the CSD in 1999, when an Environmental Report rather than a Social and Environmental Report (as in the subsequent years) was published, to then gradually decrease to account for about a quarter of the total CSD by the end of the five year period. H&S originally drops, but in the post-accident years it follows an upward trend to equal, in the last examined year environment’s proportion, the most popular disclosing theme, doubling its proportion from the last pre-accident year. This can be further interpreted as an organisational attempt to address their threatened legitimacy following the accident with regards to this area. The September 11th 2001 events with their dire effects on the industry as a whole (BA, 2002b) and the appearance of the Severe Acute Respiratory Syndrome (SARS) in these post-accident years may have further threatened the legitimacy of the whole industry and subsequently contributed towards this H&S post-accident proportional increase.

The findings in terms of positive vs negative CSD for the total and H&S disclosures are summarised in Table 6.2.6. As the Table shows, following a drop in the preceding year, both positive and negative disclosures increased in the first year following the accident before dropping in the subsequent years, lending support to the supportive of LT propositions 3 and 4. As in the case of SIA, the positive and negative H&S disclosures increase at even higher rates than the total CSD (in the BA case, almost three times as high). It is further interesting to note that, particularly for total CSD, the increases in positive and negative CSD are at a higher rate than the increase in total CSD and therefore this is at the expense of the neutral CSD, which started dropping even from the first post-accident year. In the second and third post-accident years both positive and negative, total and H&S CSD largely follow similar declining patterns to the total CSD, despite the aforementioned September 11th events and the appearance of SARS in this period.
Table 6.2.5: Theme of voluntary CSD (pages) in proportions

<table>
<thead>
<tr>
<th>Type of Disclosure</th>
<th>Pre-accident</th>
<th>Post-accident</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1999</td>
<td>2000</td>
</tr>
<tr>
<td>Health &amp; Safety</td>
<td>11.26</td>
<td>8.98</td>
</tr>
<tr>
<td>Marketplace</td>
<td>6.35</td>
<td>8.91</td>
</tr>
<tr>
<td>Workplace</td>
<td>4.72</td>
<td>6.53</td>
</tr>
<tr>
<td>Community</td>
<td>1.36</td>
<td>4.56</td>
</tr>
<tr>
<td>Environment</td>
<td>30.03</td>
<td>19.84</td>
</tr>
<tr>
<td>Other</td>
<td>6.87</td>
<td>13.13</td>
</tr>
<tr>
<td>Total</td>
<td>60.59</td>
<td>61.95</td>
</tr>
</tbody>
</table>

Table 6.2.6: Positive vs negative CSD (in pages and % of year to year change)

<table>
<thead>
<tr>
<th>Pre-accident</th>
<th>Post-accident</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1999</td>
</tr>
<tr>
<td>H&amp;S disclosure</td>
<td></td>
</tr>
<tr>
<td>Positive</td>
<td>5.18</td>
</tr>
<tr>
<td></td>
<td>(5%)</td>
</tr>
<tr>
<td>Negative</td>
<td>3.36</td>
</tr>
<tr>
<td></td>
<td>(7%)</td>
</tr>
<tr>
<td>Neutral</td>
<td>3.03</td>
</tr>
<tr>
<td></td>
<td>(61%)</td>
</tr>
<tr>
<td>Total disclosure</td>
<td></td>
</tr>
<tr>
<td>Positive</td>
<td>35.28</td>
</tr>
<tr>
<td></td>
<td>(9%)</td>
</tr>
<tr>
<td>Negative</td>
<td>19.66</td>
</tr>
<tr>
<td></td>
<td>(7%)</td>
</tr>
<tr>
<td>Neutral</td>
<td>7.52</td>
</tr>
<tr>
<td></td>
<td>77%</td>
</tr>
<tr>
<td>Total</td>
<td>62.46</td>
</tr>
<tr>
<td></td>
<td>2%</td>
</tr>
</tbody>
</table>
Table 6.2.7 below summarises the findings in terms of the substantive vs symbolic CSD for the total and H&S disclosures. Although the evidence from both the H&S and the total CSD lend support for proposition 5, since clearly substantive CSD increases in the first post-accident year, for proposition 6 the findings are inconclusive: the symbolic H&S CSD increases in a similar rate to the substantive one but the symbolic total CSD declines in the first post-accident year. At first sight, this finding may signify an ethics oriented organisation, primarily concentrated in addressing in a substantive way their stakeholders increased expectations; however, when seen in conjunction with the H&S related evidence, and when it is also taken into account the fact that both the H&S and total substantive CSD fall in the subsequent years, it may be tentatively suggested that, on the whole, the substantive vs symbolic evidence signifies a rather image oriented and pragmatic organisational stance toward CSR, where priority is given on defending their legitimacy rather than opportunistically or ethically extending it.

Table 6.2.7: Substantive vs symbolic CSD (in pages and % of year to year change)

<table>
<thead>
<tr>
<th></th>
<th>Pre-accident</th>
<th>Post-accident</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1999</td>
<td>2000</td>
</tr>
<tr>
<td><strong>H&amp;S disclosure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Substantive</td>
<td>8.99</td>
<td>6.23</td>
</tr>
<tr>
<td>(31%)</td>
<td>76%</td>
<td>(13%)</td>
</tr>
<tr>
<td>Symbolic</td>
<td>2.05</td>
<td>2.59</td>
</tr>
<tr>
<td>26%</td>
<td>68%</td>
<td>(55%)</td>
</tr>
<tr>
<td>Other</td>
<td>0.52</td>
<td>0.41</td>
</tr>
<tr>
<td>(21%)</td>
<td>78%</td>
<td>(73%)</td>
</tr>
<tr>
<td><strong>Total disclosure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Substantive</td>
<td>42.82</td>
<td>36.86</td>
</tr>
<tr>
<td>(14%)</td>
<td>25%</td>
<td>(22%)</td>
</tr>
<tr>
<td>Symbolic</td>
<td>15.53</td>
<td>21.51</td>
</tr>
<tr>
<td>39%</td>
<td>(8%)</td>
<td>(41%)</td>
</tr>
<tr>
<td>Other</td>
<td>4.11</td>
<td>5.35</td>
</tr>
<tr>
<td>30%</td>
<td>(46%)</td>
<td>(37%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>62.46</td>
<td>63.72</td>
</tr>
<tr>
<td>2%</td>
<td>8%</td>
<td>(28%)</td>
</tr>
</tbody>
</table>
6.2.3 The qualitative CA evidence

The qualitative analysis of BA’s Annual and Sustainability reports reveals an organisational stance towards CSR which varies from stakeholder pragmatism to ethics opportunism but which is however predominantly pragmatic. This is evident from the pre-accident years. Although, for example, BA state that they support the UK government’s interpretation of sustainable development as “a better quality of life for everyone, now and for generations to come” (2000, p10), seemingly adopting an ethical stance, further on in the same report they also appear to be opportunistically driven, when in their code of conduct they specify that they would “consider social, ethical and environmental implications of decisions which will promote shareholder value” (ibid, p4). Considerably more frequent, however, seem to be the signs revealing that CSR is pragmatically perceived by BA as a condition for maintaining economic success:

“While financial performance is the primary concern, our ability to sustain a thriving business depends also on consideration for the environment on a local and global scale, and on our relationships with those who are legitimate stakeholders in our business. Only if we pay due attention to these areas will aviation be able to prosper in a world which is maintained in a fit state for future generations… if we are to add value to our products and to our stakeholders we must be proactive in addressing the relevant and environmental issues” (ibid, p2).

This pragmatic perception of CSR may also explain the frequent attempts to question the industry’s contribution to the climate change and to further emphasise their contribution to the economy over the potential negative environmental impacts, which are also evident in this period:

“there are still questions about the impact of aviation on the environment, in particular in relation to climate change … We also need to understand better the economic contribution that is made by the airline and aviation (BA, 2000, p10)… But British Airways also makes a substantial contribution to economic and social progress in the UK and other countries where we operate. A comprehensive audit of our performance as a sustainable business needs to take into account all three dimensions – economic, social and environmental” (ibid, p12).
In the post accident years, BA’s CSR focus does not appear to change, despite that in addition to the grounding of Concorde a number of other adversities such as the economic slowdown, foot and mouth disease, and the rise on oil price also occurred\(^\text{10}\). Their image–concentrated and clearly non ethical CSR orientation is perhaps most apparent when BA explicitly admit that their the production of their sustainability report and their support in community and conservation programmes are all means of improving their reputation, following the advice of their independent assurors:

“Improve reputation enhancement: The Marketing and Communications Department is increasingly involved in relevant activities, including operation of this report, ‘Change for Good’ and the ‘Tourism for Tomorrow’ awards programme” (BA, 2002a, p7).

As in the pre-accident period, BA at times appear to employ CSR arguments in an opportunistic fashion in the reports following the accident, albeit less frequently than when they appear to be pragmatically driven. Often these opportunistic arguments are over Heathrow airport expansion, where their headquarters and their business interests lie:

“Regions such as the West Midlands and Scottish Lowlands will require additional runway capacity over the study period to meet local demand – we support their view. Nevertheless, we do not consider that it is a viable alternative for the regions to attempt to meet South East demand. To do so would impose unnecessary, long and environmentally damaging surface journeys on travellers. We consider there are strong environmental arguments in favour of concentrating new capacity at existing airports – both in the regions and in the South East. Such concentration minimises the need for additional land take, reduces the spread of noise and provides greater potential for investment in surface transport links” (BA, 2002a, p25).

Some of the arguments are on the verge of ethics pragmatism and opportunism. This is hardly surprising given that both the perspectives maintain an image orientation towards

\(^{10}\) As with SIA, these adversities had reached their climax by the third post-accident year following the September 11\(^\text{th}\) events, the war in Iraq and the appearance of SARS. As BA (2003) note, “a press article summed it up when it suggested that the aviation industry must feel it has been assailed by the Four Horsemen of the Apocalypse in recent years” (p3).
CSR and principally relate it with profitability, either in terms of maintaining (pragmatists) or extending the latter (opportunists). For example, when BA explain the potential ‘business reasons’ for adopting CSR:

“Apart from the fact that British Airways believes in social responsibility, including environmental care and concern for the communities we serve and in which we work, there are sound business reasons for this. Consumers will more and more judge a company on its integrity and ethics, as well as the value of its commercial products and services” (BA, 2003, p3),

It is not clear whether CSR is viewed as a necessary, ‘pragmatic’ activity to satisfy the increased consumer expectations and maintain legitimacy and, consequently, profitability or as a means of opportunistically “attracting ‘patient’ shareholders and enhancing the firm’s reputation and brand value” (Clikeman, 2004, p25) in order to “establish new markets, gain additional market share, and/or increase market size though… increased customer loyalty” (Dillard et al, 2005, p86).

Nevertheless, in most of the arguments, and similarly in the pre-accident period, it is apparent that BA are primarily externally motivated towards CSR, projecting to their constituents that they are interested in “profits AND social responsibility” (Henderson, 1984, p170) as this rather pragmatic declaration of priorities also indicates:

“Our principal objectives in the current year, however, will be to achieve increased levels of value and quality for our customers around the world; the continued support of our employees; and increased profitability – all of which are expected to improve the level of return for shareholders” (BA, 2001a, p4).

In this period, as the quantitative evidence also suggests, increased emphasis on their H&S responsibilities seems to be paid in a potential attempt to defend and restore legitimacy. For example, and despite that even in the pre-accident years BA have noted that “safety is of absolute importance… we will never compromise safety for commercial reasons” (BA, 2000, p3), it is only in the first sustainability report following the accident that the following clause on their Key Issues section on Air safety appears (BA, 2001b, p48) and then repeated in the next report (2002a, p28):
“Air safety: this is of paramount importance and the matter is reviewed directly by a standing committee of the main corporate board. Risks are under constant review and are assessed within a culture of openness”.

The emphasis on H&S is accompanied by even more frequent references to the contribution of aviation, that could be potentially perceived as a symbolic strategy to improve their threatened image, or even as a substantive one to alter the definition of social legitimacy by attempting to change the perceptions of their constituents (Perrow, 1970; Lindblom, 1994). Although both these strategies could have also been employed by an opportunistically-driven organisation, given that the particular references were also present, though to a lesser extent in the pre-accident years, they more likely signify a pragmatic effort to defend legitimacy:

“What aviation can provide, in part, and facilitate as an essential component of the global communication network, is creation of wealth necessary for education, health and welfare, which, in turn, prime a virtuous cycle leading to an overall more sustainable society” (BA, 2001b, p4). “The aviation industry also generates socio-political external benefits which are more difficult to measure empirically” (2002a, p4).

The increased emphasis on the contribution of aviation is however not in conjunction with further attempts to question the industry’s contribution to the climate change as in the pre-accident years. On the contrary, BA appear to start acknowledging, without reservation, their environmental impact. This shift could be potentially part of a substantive organisational attempt for ‘role performance’ through engagement with their stakeholders as well as a symbolic admission of guilt aiming for ceremonial conformity. Given however that it occurred following the accident, it could be interpreted as a further sign of a pragmatic attempt to defend and restore legitimacy:

“it has long been recognised that emissions from aircraft engines contribute to the build up of greenhouse gases. Aircraft and related ground operations also contribute to local air quality. The aviation industry is continually looking at initiatives to reduce these emissions through research, development and co-operation. We must continue our innovative work in this area” (BA, 2002a, p20).
7. **Discussion and Conclusions**

The purpose of this paper was twofold: it first introduced a revisited Legitimacy Theory (LT) framework and then moved to empirically consider its applicability by examining the reaction of international aviation companies, in terms of Annual and Sustainability Reports disclosure, to some major social accidents. The accidents reviewed so far include the Concorde crash north of Paris (2000) and its effect on the reporting of British Airways (BA) and the Singapore Airlines (SIA) accident at T’ai-pei.

An attempt was made for the revisited LT framework to incorporate most of the oft-cited in the literature theoretical explanations for CSR. A principal condition of the framework is that legitimacy is perceived here as an *operational resource* on which organisations are dependent for survival. Considering this, three LT variants of organisations employing CSR were identified: the stakeholder capitalists, where organisations are morally-motivated; the ethics pragmatists, where organisations engage with CSR to satisfy critical stakeholders; and the ethics opportunists, where CSR is employed to extend profitability. Organisations under both the latter two variants would be particularly image-concentrated, primarily interested to be seen as legitimate rather in acting legitimately.

A number of propositions were drawn from the discussion of the framework, in brief predicting that the levels of total and H&S, positive and negative and substantive and symbolic CSD would increase following the accident. To investigate the propositions a volumetric Content Analysis (CA) approach employing a number of methods related to the propositions classifications and examining Annual and Sustainability Reporting data was adopted. The volumetric CA was complemented by a qualitative analysis approach, similar to the one adopted by Bebbington and Gray (2000), in an attempt to investigate the latent, in addition to the manifest, content of the analysed information.

The findings for SIA and BA, from both the quantitative and the qualitative CA, seem to provide support for the identified ethics pragmatist variant of the LT framework. In the case of SIA, in particular, the quantitative CA evidence provides strong support for all LT propositions. As expected, the levels of CSD, and more particularly the H&S type, in SIA’s Annual Reports increased considerably following the accident. This is also the case for their positive and negative and their symbolic and substantive CSD. In particular, the
latter distinction, along with the accompanying qualitative analysis, further illustrates that SIA’s LT stance is close to the ‘ethics pragmatist’ exemplar.

For BA, as opposed to SIA, a number of Sustainability and Supplementary Data Reports, in addition to the Annual Reports, were reviewed and consequently the qualitative evidence made a relatively higher contribution to the analysis. As expected, the levels of voluntary CSD, and again more particularly the H&S type, on BA’s Annual and Sustainability Reports increased following the accident. This is also the case for their positive and negative and largely for the symbolic and substantive CSD. It is particularly the qualitative analysis, though, which demonstrates clearly that BA adopts a non-ethical and mostly pragmatic stance towards CSR, with particular emphasis on employing it as a means of improving their reputation.

It is important to note that, although the findings support the identified as ‘pragmatic’ LT perspective, largely incorporating the ‘conventional’ LT arguments as well as the MAST, public pressure and institutional arguments, it is still not possible to assert with certainty which of these individual perspectives is primarily motivating either SIA or BA towards CSR. In principle, all these arguments could be at play and, for example, BA could have increased their CSD following the accident because of the increased media coverage reflecting or shaping the public concern, or even as an attempt to conform to institutionalised pressures.

Nevertheless, the employment of such an all-inclusive theoretical framework allowed for more than one theoretical explanation to be considered when reviewing both the quantitative and the qualitative evidence. This seemed to indeed empirically support that the above ‘pragmatic’ arguments were behind SIA and BA’s CSR, rather than some ethical or opportunistic ones (such as, for example, PE, decision making, or competitive advantage arguments), despite the existence of some limited supporting evidence, primarily of qualitative nature. In this achieved ‘theoretical reduction’ the role of the employed Bebbington and Gray’s (2000) qualitative analysis approach, involving the use ‘patterns matching’ and ‘explanations building’ techniques were prominent. It seems, therefore, reasonable to recommend the use of a wide range of theoretical lenses and the adoption of primarily qualitative approaches in future research efforts attempting to investigate motivations for CSR.
Evidently, most of the quantitative analysis was built on the premise that levels of CSD would increase following the accidents. However, studies which have examined CSD within Annual Reports indicate that it has been increasing across time, both in number of disclosing companies and in the amount of information being reported (Deegan et al, 2000, 2002; see also Ernst and Ernst, 1978; Harte and Owen, 1991; Gray et al, 1995a; Deegan and Gordon, 1996). Thus, before attributing the potential identified increased CSD levels in the company’s Annual Report to the preceding threat, it should be made certain that this increase is relatively higher to the potential increases of the level of CSD in the Annual Reports of similar (in terms of size, industry, country of origin) companies, which faced no threats at the same time. So far, when interpreting the collected evidence, such comparisons have not yet been made and this undoubtedly presents a major limitation for the quantitative CA in particular. It is, nevertheless, intended in a later stage of this research to employ both secondary CSR survey data as well as to conduct a case study of an aviation company which in the same period of time had faced no threats, in order to make such comparisons possible.
Appendix A: The CSD Theme Categories and Decision Rules

I Health and Safety

1. Health and safety at the workplace
   - Any reference/compliance to health and safety law
   - Information to employees, training on health and safety
   - Accidents, with reference to the employees
   - Receiving safety awards
   - Conducting research to improve work safety
   - Standard injury, lost day and absentee rates and number of work-related fatalities
   - Description of policies or programmes on specific diseases (e.g., HIV/AIDS)
   - Providing information on industrial action related to health and safety
   - Incidents of air rage (0.5)
   - Reference to aircraft age (0.5), when not linked with noise (3) or emissions (14) or energy (15)

2. Health and safety at the marketplace
   - Health and safety of the product
   - Accidents, with reference to the customers
   - Description of policy for preserving customer health and safety during use of products and services
   - Extent to which these policies are visibly stated and applied
   - Monitoring systems and results of monitoring of these policies
   - Incidents of air rage (0.5)
   - Reference to aircraft age (0.5), when not linked with noise (3) or emissions (14) or energy (15)
3. **Health and safety of community**
   - Description of policies to manage health and safety impacts on communities affected by organisational activities
   - Extent to which these policies are visibly stated and applied
   - Monitoring systems and results of monitoring these policies
   - Disclosures regarding noise: infringements, fines, plane night movements
   - Reference to aircraft age when linked with noise
   - Reference to Continuous Descent Approach (CDA) and departures on track

4. **Health and safety – other**
   - Other general issues regarding health and safety

II **Marketplace**

5. **Consumers**
   - Consumer complaints and related awards
   - Congestion, when linked with customer delays but not additional fuel (15)
   - Specific customer relations (over and beyond ‘our duty to the customer’)
   - Provision for disabled, aged, etc customers
   - Provision for difficult to reach customers
   - Training employees in customer service (0.5)
   - Consumer privacy policy, procedures/management systems and compliance mechanisms
   - Expansions in the route network (but NOT information on their first class offers or dietary offers)
   - Consultation with consumers (frequency, information generated, use of information)

6. **Creditors**
   - Specific creditor relations
   - Policies with regards to creditors
   - Consultation with creditors (frequency, information generated, use of information)
III Workplace

7. Employee and pension data
   - Statutory average numbers employed by category and wages (including pension and social security costs) and geographic area
   - Statutory numerical analysis of employees > £30,000
   - Statutory disclosures of directors’ emoluments (but not their bios)
   - Thanks to employees
   - Donations ditto by/ through employees (0.5)
   - Statutory particulars for commitments for pensions, whether or not provided
   - Pensions and benefits beyond coverage of statutory material
   - Any other employee information, not covered in the below categories, including reference to social audits

8. Equal opportunities and employee development – training
   - Training above health and safety
   - Training employees in customer service (0.5)
   - Training employees in environmental issues (0.5)
   - Average hours of training per year per employee by category of employee
   - General employee development
   - Description of equal opportunity policies or programmes (racial, sexual equality, parental leave, etc) and policies on harassment and bullying
   - Statutory reference to the employment of disabled persons (including retraining)
   - Monitoring systems to ensure compliance – results of monitoring
   - Indicators of diversity as culturally appropriate (eg female/male ration in senior management and corporate governance bodies)
   - Policies/references to bribery and corruption in the marketplace

9. Human rights
   - Policies, guidelines, corporate structure and procedures to deal with all aspects of human rights relevant to operations, including immigration/ asylum seekers’ cases
   - Consideration of human rights within the supply chain and on selection of suppliers/ contractors, excluding collective bargaining/ references to industrial relations
   - Description of policy excluding child labour as defined by the ILO Convention 138
- Description of policy to prevent forced and compulsory labour and extent to which this policy is visibly stated and applied
- Any information/statutory reference to employment in South Africa (before official end of apartheid – 1990), statement of compliance with code and/or submission to DTI
- Monitoring systems of the above policies and results of monitoring

10. Consultation with employees
- Statutory action with respect to informing employees on matters of concern, consulting employees or representatives, encouraging (and engaging in) employee participation
- Statutory increasing employee financial and economic awareness
- Reference to industrial relations, strike action or talks with unions
- Employee opinion surveys and individual advice and counselling

11. Share ownership
- Statutory encouragement and participation of employees in share schemes, profit sharing, ESOPs, where employees does not mean directors
- Schemes/reference must be to employees (exclude if reference is to executive or directors only)
- Loans for this purpose but not directors
- SAYE options

IV Community

12. Community involvement
- Any reference to community and/or social involvement outside the labour force
- Sponsoring/funding schools, arts, sports, medical research, development of local communities/industries and activities
- Particular reference to bribery and corruption in communities
- Consultation with community (frequency, information generated, use of information)
- Excluding charities
13. **Charities**
- Statutory donations in monetary form or in kind to registered charities within the Company Act
- Donations ditto by/ through employees (eg GAYE schemes) (0.5)
- Include statutory references and amounts of political donations (as they fall within the same Company Act requirement)

V. **Environment**

14. **Environmental pollution**
- Air, Water (including consumption), emissions, visual quality, fuel jettison (0.5) and pollution plus any attempt to identify, improve or prevent
- Environmental audits
- Conservation of natural resources, waste and recycling including improvements in products
- Commitment to sustainable development
- Statements indicating that the company’s operations are in compliance with environmental laws and regulations; recognition of the need to comply with society standards and regulations
- Involvements with schemes (eg Business in the Environment, Business in Community, ACBE, etc)
- Except in so far as its part of the business (eg waste disposal or environmental technology)
- Environmental Awards won or external praise for environmental work
- Reference to aircraft age when linked to emissions

15. **Energy**
- Energy saving and conservation
- Fuel (ie oil, gas) and electricity consumption, fuel jettison (0.5)
- Use/ development/ exploration of new sources, efficiency, insulation, etc
- Except in so far as it is part of the business (eg oil exploration companies)
- Utilising waste materials for energy production
- Disclosing energy savings resulting from product recycling
- Discussing the company’s efforts to reduce energy consumption
- Disclosing increased energy efficiency of products
- Receiving awards for energy conservation programmes
- Disclosing the company’s energy policies
- Reference to aircraft age when linked to energy savings
- Reference to congestion when linked to additional fuel

16. Aesthetics
- Designing facilities harmonious with the environment
- Contributions in the terms of case or art/sculptures to beautify the environment
- Restoring historical buildings/structures
- General environmental activities linked with tourism

17. Environment – other
- Undertaking environmental impact studies to monitor the company’s impact on the environment, conducting reviews of performance, employing specialist consultants
- Wildlife conservation, environmental newsletters and biodiversity
- Training employees in environmental issues (0.5)

VI. Other

18. Value added statement
- Any reference to the creation and distribution of value added
- Any statement headed valued added or added value
- Any statement with ‘distribution’ to employees and state (not including shareholders)

19. Other CSR information
- For example, general CSR objectives and mission statements; ethics; political statements; value of company to nation, economy; assurance statements; general references to stakeholders and competitors.

Substantive strategies

1. Role performance. This is perceived by Savage et al as “the most obvious attempt at legitimation” (p48) and is where the organisation adapts its goals, methods or operation, and/or its output to conform to the performance expectations of the members of society on whom it depends for critical resources (Dowling and Pfeffer, 1975). These organisations would thus be expected to disclose more frequently quantitative and also at times negative CSD.

2. Coercive isomorphism. This is the basic tenet of institutional theory. Organisations employ substantive legitimation to become isomorphic with their cultural environment, by employing substantive strategies or by shifting from symbolic strategies to substantive over time.

3. Altering socially institutionalised practices. Organisations could attempt, through communication, to alter the societal definition of legitimacy, so that the amended definition reflects the organisation’s activities (Lindblom, 1994): the most difficult strategy to successfully implement (Savage et al, 2000).

Symbolic strategies

4. Espousing socially acceptable goals. Organisations may do so while pursuing less acceptable ones. They may, for example, disclose ethical policies but fail to implement procedure to monitor compliance.

5. Denial and Concealment. Organisations may do so for activities that may undermine legitimacy (see Sutton and Calahan, 1987).

6. Identification with symbols, values or institutions. The organisation could attempt to become identified with symbols, values or institutions with a strong established base of social legitimacy (Dowling and Pfeffer, 1975; Lindblom, 1994).

7. Offering accounts. Organisations may offer explanations, including excuses and justifications or putting the blame to someone else (Paterson and Woodward, 2006). This is still an attempt to shape perceptions of the organisation (O’Donovan, 2002).

8. Offering apologies. By apologising, organisations may show some expression of remorse for a negative event (Savage et al, 2000).
9. *Ceremonial conformity.* Highly visible and salient practices that are consistent with social expectations may be adopted, while leaving the formal structure of the organisation intact; for example, organisations may form a task force to study the environmental impact of activities; this may provide the appearance of action without the substance (*ibid*).

10. *Admission of guilt.* Organisations may acknowledge partial responsibility to create the impression and/or reality of honesty. Should be followed by increased negative CSD.

11. *Misrepresentation or open to misinterpretation.* The organisation may intentionally or unintentionally give a false impression or account or supply ambiguous information that could be misleading or open to misinterpretation (*ibid*).

12. *Avoiding, trivialising or skirting around the issue.* The organisation may offer a partial explanation, trivialise or fail to directly address an issue. The information may not be clearly conveyed or may simply be implied (*ibid, O’Donovan, 2002*).
Appendix B (II): The Substantive and Symbolic Strategies Employed in the BA Study

Substantive strategies
1. *Role performance* [act as expected]: as above Savage *et al* strategy 1
2. *Coercive isomorphism* [act as everybody does]: as above strategy 2
3. *Altering socially institutionalised practices* [Change what is expected]: as above strategy 3

Symbolic strategies [show acting as expected]
4. *Espousing goals and symbols* [change (improve) overall image]: as above strategy 4, but including above strategies 6 and 9
5. *Denial, concealment/avoidance and trivialisation of potential detrimental issues* [downgrade detrimental activities]: as above strategies 5, 11 and 12
6. *Offering accounts and apologies* [downgrade organisational role towards detrimental activities]: as above strategies 7, 8 and 10
Appendix C: Examples of Positive and Negative CSD

Positive CSD

- Noise infringements: decreasing trends (0.5)
- Noise fines: decreasing trends (0.5)
- Fuel consumption: decreasing trends (0.5)
- Emissions: decreasing trends (0.5)
- Accidents: decreasing trends (0.5)
- Continuous Descent Approach (DCA): increasing trends or maintaining trends or decreasing trends (but not 0%) or no trends (0.5) or 100% of flights (1.0)
- Departures on Track: increasing trends or maintaining trends or decreasing trends (but not 0%) or no trends (0.5) or 100% of flights (1.0)
- Decreasing trend refers to the last two years in comparison, even if the previous years in a table or graph indicate an increasing trend
- Recycling of materials
- Decrease of average aircraft age
- Compliance with government environmental reports and standards
- Merits of the company’s environmental position
- Maintenance or implementation of a strategy to protect the environment
- Voluntary adoption of safe environmental practices
- Introduction of environmental audits
- Statement of company aim or mission to protect the environment
- Energy-saving measures
- Research into, or support of, environmentally safe products and practices
- Undertaking of environmental impact or assessment studies
- Evidence of public support/approval of the company’s social and environmental activities
- Sponsor or recipient of social and environmental achievement awards
- Company in harmony with the environment
- Establishment of wildlife preservation areas
- Improvements in environmental standards/facilities
Negative CSD

- Noise infringements: increasing or maintaining trends or absence of trends (1.0) or decreasing trends (0.5)
- Noise fines: increasing or maintaining trends or absence of trends (1.0) or decreasing trends (0.5)
- Fuel consumption: increasing or maintaining trends or absence of trends (1.0) or decreasing trends (0.5)
- Emissions: increasing or maintaining trends or absence of trends (1.0) or decreasing trends (0.5)
- Accidents: increasing or maintaining trends or absence of trends (1.0) or decreasing trends (0.5)
- Continuous Descent Approach (DCA): Increasing trends (but not 100%) or maintaining trends or decreasing trends (but not 0%) or no trends (0.5) or reported absence (0% - 1.0)
- Departures on track: Increasing trends (but not 100%) or maintaining trends or decreasing trends (but not 0%) or no trends (0.5) or reported absence (0% - 1.0)
- Increasing or maintaining trend refers to the last two years in comparison, even if the previous years in a table or a graph indicate a decreasing trend
- Company in conflict with the government view on its environmental activities
- Admission of causing environmental, including health-related, problems for residents through the company’s environmental activities
- Increase of average aircraft age
- Non-compliance with regulations
- Admission of past problems with the company’s environmental activities
## Appendix D: CSR Required by Legislation and Professional Guidance in the UK

<table>
<thead>
<tr>
<th>Area of Disclosure</th>
<th>Information to Be Disclosed</th>
<th>Relevant Legislation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health and Safety</td>
<td>Particulars of significant changes in the fixed assets and important events affecting the company which have occurred in or since the end of the financial year (to the extent that these events and changes are related to CSR) (Directors’ Report)</td>
<td>Companies Act 1967 (Part I, Sect. 16, §1); Companies Act 1985 (Sch. 7, Part I, §1, 2, 6)</td>
</tr>
<tr>
<td></td>
<td>Arrangements for securing the health and safety at work of employees and others in connection with the activities at work (over 250 employees, Directors’ Report)</td>
<td>Companies Act 1985 (Sch. 7, Part IV, §10), not activated (Gray et al., 1995b)</td>
</tr>
<tr>
<td>Workplace</td>
<td>Aggregate emoluments and other benefits of chairman, current and past directors (Notes to the Accounts)</td>
<td>Companies Act 1967 (Part I, Sect. 6, §1–7); Companies Act 1985 (Sch. 5, Part V, §22–34)</td>
</tr>
<tr>
<td></td>
<td>Particulars for commitments for pensions, whether or not provided for (Notes to the Accounts)</td>
<td>Companies Act 1981 (Sch. 1, §54); Companies Act 1985 (Sch. 4, §50)</td>
</tr>
<tr>
<td></td>
<td>Average numbers employed by category and wages (CA 1967 – Directors’ Report) and social security costs (CA 1985 - Information supplementing P&amp;L Account) and by geographic area (DoT/OECD, 1976 – Notes to the Accounts)</td>
<td>DoT/OECD Guideline, 1976; Companies Act 1967 (Part I, Sect. 18, §1–7); Companies Act 1985 (Sch. 4, Part III, §56, 94; Sch. 10, §5–8)</td>
</tr>
<tr>
<td></td>
<td>Numerical analysis of employees with emoluments exceeding £10,000 (CA 1967) or £30,000 (CA 1985, Notes to the Accounts)</td>
<td>Companies Act 1967 (Part I, Sect. 8, §1–5); Companies Act 1985 (Sch. 5, Part VI, §35–37)</td>
</tr>
<tr>
<td></td>
<td>Reference to policies for full and fair consideration to applications for employment by disabled and training, career development and promotion of disabled employees (over 250 employees, Directors’ Report)</td>
<td>Statutory Instrument 1980/1160; Companies Act 1985 (Sch. 7, Part III, §9)</td>
</tr>
<tr>
<td></td>
<td>Action to provide employees with information on matters of concern to them as employees (over 250 employees, Directors’ Report)</td>
<td>Employment Act 1982; Companies Act 1985 (Sch. 7, Part V, §11)</td>
</tr>
<tr>
<td></td>
<td>Employees’ or representatives’ consultation in making decisions which affect their interests (over 250 employees, Directors’ Report)</td>
<td>Employment Act 1982; Companies Act 1985 (Sch. 7, Part V, §11)</td>
</tr>
<tr>
<td></td>
<td>Encouragement of the involvement of employees in the company’s performance through an employee’s share scheme or other means (over 250 employees, Directors’ report)</td>
<td>Employment Act 1982; Companies Act 1985 (Sch. 7, Part V, §11)</td>
</tr>
<tr>
<td></td>
<td>Employee awareness of financial and economic factors affecting the performance of the company (over 250 employees, Directors Report)</td>
<td>Employment Act 1982; Companies Act 1985 (Sch. 7, Part V, §11)</td>
</tr>
<tr>
<td>Area of Disclosure (a)</td>
<td>Information to be Disclosed (b)</td>
<td>Relevant Legislation (c)</td>
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<tr>
<td>Community</td>
<td>References and amounts of donations to charities exceeding £50 (CA 1967) or £200 (CA 1985, Directors’ Report)</td>
<td>Companies Act 1967 (Part I, Sect. 19, §1-5); Companies Act 1985 (Sch. 7, Part I, §3-5)</td>
</tr>
<tr>
<td></td>
<td>References and amounts of political donations exceeding £50 (CA 1967) or £200 (CA 1985, Directors’ Report)</td>
<td>Companies Act 1967 (Part I, Sect. 19, §1-5); Companies Act 1985 (Sch. 7, Part I, §3-5)</td>
</tr>
</tbody>
</table>

References


