

Ritsumeikan Asia Pacific University

**Corporate Social Responsibility (CSR) in times of Global Financial Crisis. A
study of CSR Reporting practices**

By

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ABSTRACT

Recent events in the last decade have evidenced the important of Corporate Governance practices, increasing the relevance of corporate strategies such as, CSR and their impact to the profitability of a firm. In the present study we focus on the relationships between the financial crisis and CSR reporting practices. While in the literature review section we identify the linkages between corporations responsibilities and the causes of the Financial Crisis and the evolution of CSR communication, the main objective of the present study is to analyze the relationships between the Financial Crisis and CSR and Ethical behavior, in addition to identifying how these events affected CSR reporting practices during the 2007-2011 period, analyzing whether corporations acting conservatively diminish their CSR practices (Cheney et al. 1990), or rather seize the opportunity to improve their corporate image and generate competitive advantages (Freeman, 2009).

The present research utilizes Content and Archival analysis comparing scores for Report type, Adherence of Application Levels, and report status for 2,790 companies that published CSR reports following the GRI guidelines during the period 2007 -2011. Using Analysis of Variances Tests (ANOVA) as the main statistical method in a before-after event design, corporations reports where coded and processed to determine the relationships between scores in the above mentioned variables and other grouping variables such as company region, size and industry type. Contrary to Neoclassical or traditional views of CSR critics, it was concluded through the findings of this research that the Global Financial Crisis of the 2007-2011 period, had a positive effect in CSR reporting particularly for corporations in the Financial, Energy and Utilities sectors. In other words businesses increased the quality and amount of reporting as a strategy to regain trust in businesses, as represented by the increasing scores in Report Type, Report Status, and Application of the GRI Framework. These trends proved to be statistically significant. According to these results we can say that the Global Financial Crisis, actually worked as a temporary boost to CSR and Sustainability reporting, as there was an all industry and market clamor for higher standards in transparency and corporate governance.

Key words: *Financial Crisis, Global Reporting Initiative (GRI), CSR Reporting, Sustainability, Corporate disclosure, CSR communication*