

CRITICAL INTERPRETATION STUDY OF SOCIAL AND ENVIRONMENTAL ASPECTS PRESENTED IN ACCOUNTING ISI JOURNALS

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ABSTRACT

In the modern society we are now living in, the importance of information on social and environmental aspects is steadily growing. Social and environmental accounting research has emerged as a significant part of the contemporary accounting research literature. The purpose of our research is to outline the status of development in social and environmental accounting literature and to establish the main trends adopted by the most important accounting journals. We founded the study on surveys of articles related to social and environmental aspects of accounting, published in the 16 accounting journals indexed in Thomson Reuters Master Journal List (TRMJL). We combined archival study with literature review, thinking that these two types of research complete one to another for better answer to our purpose, of emphasizing the status of development in social and environmental accounting literature.

✦ *Social and environmental accounting literature, ISI indexed accounting journals, critical perspective of accounting, corporate social responsibility*

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INTRODUCTION

Social and environmental accounting research has emerged as a significant part of the contemporary accounting research literature. This area of accounting research tends to have been pursued by a small select minority group of researchers, and over time has received a level of attention from the accounting research community incommensurate with the arguably crucial role of effective communication accounting information (Parker, 2007). Modern social and environmental accounting models have been developed based on procedural liberal frameworks. Social and environmental accounting focuses on the corporation as the accounting entity and mistakenly claims to be able to influence it.

A substantial body of literature from a wide spectrum of theoretical positions concludes that social and environmental disclosures are an important phenomenon employed by corporations for a variety of purposes (Gray *et al.*, 2001). The phenomenon of corporate social and environmental disclosure has attracted research attention from many different points of view. Of the many themes in the social and environmental accounting and reporting literature, one area of consistent interest through the years has been the attempts to explain this disclosure by reference to observable corporate characteristics: typical size, profit and industry affiliation. Although researchers have drawn from a wide range of theoretical perspectives, they have consistently speculated that larger, more profitable firms, and those in more socially and environmentally sensitive industries can be expected to make greater use of the (typically voluntary) disclosure of information about their social and environmental activities.

The theme of our study was given by a wider research project regarding the implication of social and environmental contingent factors on information presented in financial statements by the economic entities. This is a theme borne from the entities' need to find a stable place on the market, in a dynamic, competitive-knowledge supported society. We have for purpose to outline the status of development in social and environmental accounting literature and to establish the main trends adopted by the most important accounting journals. To respond to one of the main activities, referring to *detailed and critical interpretation study of nonfinancial reporting models regarding the social and environmental requirements at European and international level*, we founded this study on surveys of articles related to social and environmental aspects of accounting, published in the 16 accounting journals indexed in Thomson Reuters Master Journal List (TRMJL).

For constructing our research database we selected the TRMJL - indexed journals, because of the importance conferred by Romanian research organism, National University Research Council – NURC (CNCSIS, *rom.*) and by Romanian Ministry of Education. The importance granted to ISI journals is due to the fact they are

accounted in the assessment of research proposals, as well as in the assessment of academic performance indicators. ISI journals are those indexed by Institute of Scientific Information in Philadelphia, USA. The Institute creates databases consisting of the most representative scientific publications in the world. They are meant as a record of the leading publications that carry the results of scientific research conducted in the various areas. It is a source of information and research, helping us to find all scientific literature that has been published on a given topic, providing information about authors and the representative articles in a certain domain or on topical subjects, helping us study the history of an idea since its emergence.

The Institute of Scientific Information selects the indexed scientific journals out of a number of more than 100,000 that appear in the world. ISI today lists more than 16,000 scientific journals, books and proceedings in the field of mathematical sciences as well as social sciences and the humanities. This selection is considered the main trend of world scientific literature, being made according to a number of criteria such as regular publication, scientific advisory boards etc. The respective journals are systematically analysed by the Science Citation Index. The journals selected are enjoying the widest readership and are most cited by specialists; therefore having a scientific paper published by one of these journals is a guarantee of its quality, not to mention that the paper is sure to be exposed to the whole scientific community.

For the research methodology, we combined archival study and literature review, based on the view that these two types of research support one another for better answer to our purpose, of emphasizing the status of development in social and environmental accounting literature. Most often associated with science-oriented literature, the literature review usually precedes a research proposal, methodology and results section. Its critical goal is to bring the reader up to date with current literature on a topic and forms the basis for another goal, such as future research that may be needed in the area. A good literature review is characterized by a logical flow of ideas; current and relevant references with consistent, appropriate referencing style; proper use of terminology; and an unbiased and comprehensive view of the previous research on the topic.

Therefore, we built up our research using archival study on the content of the articles published on social and environmental aspects in TRMJL accounting journals. Our research focuses on classifying the articles published in each accounting journal by ten years periods in order to extract an evolutionary pattern that may explain the importance of these topics over the years. Using this information, we established the main themes approached and studied by international researchers and we outlined possible explanation for the various degrees of interest manifested by each journal to social and environmental aspects of accounting.

**1. SOCIAL ASPECTS DEBATED IN ACCOUNTING LITERATURE
(ACCOUNTING ISI JOURNALS)**

For more than thirty years, research on accounting as a social and institutional practice has developed. Authors adopting such a perspective demonstrate an appreciation for the continuing and permissive characteristics of accounting and an awareness of the importance of specific factors, which shape accounting change within particular instances. Despite many poor beginnings and a heavy weight of substantive critique, the social accounting project(s) are advancing and are increasingly informed by the alternative/critical projects. Social accounting has become increasingly important, as the discipline of accounting is extended to include a variety of items not presently disclosed. Social reporting has received greater incentive from business organizations, labour unions and governments, and hence there has been a greater emphasis on the development of standardized or comparable approaches. One of the purposes for corporate social reporting is improved managerial awareness of corporate activity social impact.

We searched for the frequency of social aspects of accounting included in the 16 accounting journals indexed in Thomson Reuters Master Journal List (TRMJL). Fifty-six articles of our database refer only to social aspects of accounting. Even if it is a significant number, we could not find a clear correlation in the number of articles published over the years. As seen in table 1, in '70s and '80s there were published a greater number of articles on social aspects of accounting, but in '90s the number diminished to six articles and in 2000s it raised to 17. Most of the journals started publishing social related articles after the year 2000 and we observed a distribution all over the journals. We found very interesting that 57% of social articles was published in *Accounting Organizations and Society*, although the journal's area of interest is the obvious explanation. A synthesis of articles published on social aspects of accounting, presented by journal and years is shown in table 1.

*Table 1. Number of articles published on social aspects of accounting,
presented by journal and period*

Thomson Reuters Master Journal List – Accounting journals	Social	Period			
		'70s	'80s	'90s	2000s
1. Abacus - A Journal of Accounting Finance and Business Studies	2				2
2. Accounting and Business Research	-				
3. Accounting and Finance	-				
4. Accounting Horizons	1				1
5. Accounting Organizations and Society	32	13	13	4	2
6. Accounting Review					

Thomson Reuters Master Journal List – Accounting journals	Social	Period			
		'70s	'80s	'90s	2000s
7. Australian Accounting Review	1				1
8. Contemporary Accounting Research	2				2
9. European Accounting Review	3			1	2
10. Journal of Accounting & Economics	-				
11. Journal of Accounting And Public Policy	6		3		3
12. Journal of Accounting Research	1				1
13. Journal of Business Finance & Accounting	7		4	1	2
14. Management Accounting Research	1				1
15. Review of Accounting Studies	-				
16. Spanish Journal of Finance and Accounting	-				
Total	56	13	20	6	17

Examining the base of articles from the sixteen accounting journals indexed in Thomson Reuters Master Journal List (TRMJL) we found social aspects of accounting in 56 articles. Classifying these articles on the subjects considered, we identified a theoretical approach of social accounting, general aspects of social disclosure, analysis of social issues' impact on managerial accounting, but also some debates on cost valuation and on entity performance.

A material aspect of social accounting studies in TRMJL is related to a theoretical approach, having as main idea the discussion of how accounting is involved in both organizational and social practice. Although the relationship between accounting and society has been the subject of frequently debate, it has been submitted to little systematic analysis. Only four articles of our database examine the literature and classify its content in order to develop a broad, thematic framework to assist researchers in future studies. Burchell *et al.* (1980) start this kind of research by examining the context in which rationales for practice are articulated, but also by investigating the adequacy of such claims. Later, Burchell *et al.* (1984) continued this approach by directing to understanding the diverse and complex processes of changes to the accounting domain. Potter (2005) reviews some existing theories regarding the social nature of accounting practice and identifies a number of significant conceptual problems. Studies of this nature generally seek to interrogate the actual conditions and consequences associated with the development and application of accounting practices in particular organizational and social settings. These works reflect an ongoing concern for understanding the processes and consequences of accounting change in specific settings, particularly where commercial accounting techniques and approaches are applied within organizations or societies for the first time.

Gray (2002) conducted a study on the theoretical approaches of social aspects of accounting. His paper provides a review of 25 years of social accounting literature. The main theme of the essay is that social accounting, at its best, is designed to open up a space for new accountings between the *conventional* accounting literature and practice and the *alternative* critiques and theories. The proposed way forward is for social accounting to both draw more from the wealth of theorising and, simultaneously, to take more confidence in itself and learn how to write up the characteristic extensive experience of engagement.

At the same time, some authors had taken into consideration the theoretical approach related to corporate aspect, mainly corporate performance and corporate reporting. Traditional methods for measuring corporate performance have been subject to increased examination in the late '70s (Tinker & Lowe, 1980). This reappraisal has raised questions as to the adequacy of earnings, dividends, stock market value and other traditional indicators of corporate performance.

Research on corporate social reporting has moved on from an initial phase of observation and description to a phase aimed at improvement of available techniques and actual practice. Existing research on the choice of accounting methods for corporate reports emphasizes private interests. In particular, shareholders' interests predominate in studies of the effects of accounting information on individual users.

The general aspects of disclosure represent a very important subject of social accounting literature included in our base of articles. Fourteen of 58 studies related to social aspects, debated the disclosure aspect of social accounting. Most of these studies are country related studies and are based on examining social report practices from different perspectives and with different purposes. For example, an early study of Lessem (1977) expressed author's intention to outline the problems and opportunities raised by various social reports, and to propose possible strategies to overcome them.

Later, Dierkes and Antal (1985) presented a stepwise process for evaluating the usefulness and use of corporate social reporting information. Drawing on surveys conducted in Germany and Switzerland of readers and potential users of social reports, they discuss the stage of development of this information tool and suggest qualitative considerations for assessing its impact on business behaviour.

Corporate social performance and social disclosures have been the subject of considerable research in the accounting literature. However, a critical issue underlying both the overall social reporting question and results of much of the previous research is whether entities' annual reports hold reliable measures of social performance. The significance of the issue is magnified by the fact that the majority of social reports are voluntary and unaudited disclosures made by the

management of most large entities. Rockness (1985) examines the accuracy of these voluntary reports by evaluating the ability of US annual reports' users to assess comparative social performance across firms from annual report disclosures.

A number of studies have investigated the nature and frequency of corporate social responsibility disclosures, their patterns and trends, and their general relationships to corporate size and profitability. Cowen *et al.* (1987) study seeks to extend the knowledge of the relationship between a number of corporate characteristics and specific types of social responsibility disclosures, based on an extensive sample of U.S. corporate annual reports. Corporate size and industry category are found to correlate with certain types of disclosures while the existence of a corporate social responsibility committee appears to correlate with one particular type of disclosure.

Studies conducted in 2000's mostly pointed towards the culture implication on social accounting. Country of origin is considered an important determinant of the level and type of corporate social disclosure. The ethnic background of directors and shareholders is used as a proxy for culture. Van der Laan *et al.* (2005) argue that the manner in which the role of a corporation and its stakeholders is defined in a society will affect the extent and quality of corporate social disclosure in annual reports. Their findings based on a content analysis of 1998 and 1999 annual reports for 32 Norwegian/Danish companies and 26 US companies in the electric power generation industry lend support to the stakeholder explanation for observed international differences in corporate social disclosure.

Other aspects of social accounting literature that we identified in our research refer to the more recently treated subjects of social implication on management accounting and to entity's performance. We found three papers related to social implication on management accounting, all being published since 2000. Perren and Grant (2000) explored the development of management accounting in small firms through a social construction perspective. Key to the perspective is the notion of the owner-manager and his/her employees as creators of management accounting routines that form through a cycle of action, externalization and habitualization. These routines are still controlled by the originator and are flexible in nature. As the business grows, these routines may become objectified into localized management accounting 'facts' and they may also be challenged by externally imported accounting conventions.

Schwartz and Young (2002) described an experiment in which subjects, acting as division managers, exchanged privately held information before making intra-firm investment decisions. Social efficiency required that managers honestly disclose their private information, but managers had individual incentives to send biased messages. The results indicate that verification significantly increased the relative frequency of honest messages and the level of social efficiency.

Widener *et al.* (2008) investigates how the relatively contemporary phenomenon of social surveillance controls, such as the use of teams and managerial monitoring, affects the design of the firm's more traditional organizational architecture. Overall, their data support the general notion that there are complementarities and substitutes among and between social surveillance controls and traditional organizational design components.

Social reporting is not an end in itself, but a means to an end, which has to do with corporate, social responsiveness. Social reporting refers to communications and the more diverse the channels the more likely we are to make contact with the wide range of phenomena involved.

2. ENVIRONMENTAL ASPECTS DEBATED IN ACCOUNTING LITERATURE (ACCOUNTING ISI JOURNALS)

If the social aspects have been a subject for research in accounting since the early issue of accounting journals, the environmental aspects started to be debated in 1982. We found only five environmental related articles in our research base for the '80s period, all of them published by *Accounting Organizations and Society*. Most of them deal with environmental uncertainty related to organizational coping, to the correlation between environmental uncertainty and performance evaluation style or to disclosure and measurement practices in corporate reporting.

There was a development of environmental accounting approaches during the '90s period; there are 24 articles on this subject published in the TRMJL indexed journals. Almost half of these articles had a general disclosure approach analyzing the firms' voluntary environmental disclosures through their annual reports, and even through their financial statements. The articles related to management implications try to find a way to adjust the organization to adapt to the changing environment.

However, the real flourish of environmental research in accounting is after the year 2000, until nowadays, judging on the number of published articles. Even since the '90s more and more journals have begun to publish articles on these issues, but we observe a general distribution of publishing only on 2000s. Surprisingly, *European Accounting Review* is the journal with the most environmental related published articles. From a total of 38 articles, 50% discuss the implication of environmental requirements and necessity upon entity's performance, managerial decisions or the valuation of disclosure costs. The other half refers mostly to general aspects on disclosure. Different authors continued the research on the variables that affect environmental disclosures either in different voluntary reports or in financial statements.

A synthesis of articles published on environmental aspects of accounting, presented by journal and years is shown in table 2.

Table 2. Number of articles published on environmental aspects of accounting, presented by journal and period

Thomson Reuters Master Journal List – Accounting journals	Environmental	Period			
		'70s	'80s	'90s	2000s
1. Abacus - A Journal of Accounting Finance and Business Studies	1		-	-	1
2. Accounting and Business Research	1		-	-	1
3. Accounting and Finance	-		-	-	-
4. Accounting Horizons	4		-	3	1
5. Accounting Organizations and Society	16		5	7	4
6. Accounting Review	2		-	-	2
7. Australian Accounting Review	2		-	-	2
8. Contemporary Accounting Research	1		-	-	1
9. European Accounting Review	12		-	1	11
10. Journal of Accounting & Economics	1		-	1	-
11. Journal of Accounting And Public Policy	16		-	7	9
12. Journal of Accounting Research	-		-	-	-
13. Journal of Business Finance & Accounting	4		-	-	4
14. Management Accounting Research	4		-	2	2
15. Review of Accounting Studies	1		-	1	-
16. Spanish Journal of Finance and Accounting	2		-	2	-
Total	67		-	5	24
			5	24	38

Many companies are becoming more responsive to investors' concerns about the environment by voluntarily compiling and issuing periodic environmental reports that are essentially independent of the annual financial reports. Because of an absence of environmental reporting standards, however, these reports vary significantly thereby confounding comparability. Additionally, the credibility of these reports is being questioned, as independent third parties do not verify them. Guidance and criteria for environmental verification services are limited, however, and the accounting profession may benefit from the development of such standards so that public accountants are empowered to offer a needed assurance service and compete effectively with other consulting firms. Around 40% of the articles

referring to environmental aspects of accounting are based on the absence of environmental reporting standards, and therefore on the lack of criteria for responding to qualitative characteristics of disclosure.

Wiseman (1982) evaluates the quality and accuracy of environmental disclosures made in corporate annual reports of 26 firms in environmentally sensitive industries. An indexing procedure is used to measure the contents of the disclosures, and the relationship between the disclosure contents and the firms' environmental performance is tested. The study provides a detailed measure of environmental disclosure contents. Results indicate that corporate environmental disclosures are incomplete and are not related to the entities' actual environmental performance.

The results of Niskala and Pretes (1995) study indicate marked changes in environmental reporting practices between 1987 and 1992. In 1987, slightly over one quarter of the firms analysed disclosed environmental information in their annual reports, while in 1992 this number had risen to nearly a half. Most of this disclosure had a qualitative, rather than a quantitative or financial, form. The results are consistent with earlier studies, which indicated that environmental reporting was a feature of firms in certain industrial sectors.

The theme of environmental disclosure varies from author to author. There are some authors who treat particular aspects as the effects of different policy variables on firms' environmental compliance auditing (Mishra *et al.*, 1997), factors related to environmental liability disclosure decisions (Barth *et al.*, 1997; Boatsman, 2000) or the patterns in voluntary environmental disclosures (Brammer & Pavelin, 2006). However, most authors organize their research around the analysis of voluntary environmental disclosure impact in financial or non-financial statements and the influence of different variables on the items disclosed. Brammer and Pavelin (2006) found that larger, less indebted companies with dispersed ownership characteristics are significantly more likely to make voluntary environmental disclosures, and that the quality of disclosures is positively associated with firm size and corporate environmental impact. Some studies suggest that, in addition to firm size, proprietary costs, information costs and media visibility determine corporate environmental reporting. Industry-specific reporting patterns are also apparent (Cormier & Magnan, 2003).

Moneva and Llana (2000) are situated in the same area of environmental accounting research, analysing the environmental reporting practices found in the annual reports in order to determine the evolution of these practices based on stakeholder theory. The reporting practices have been grouped into a number of categories: type of environmental reporting provided; sections of the annual report devoted to environmental reporting; corporate environmental policies and projects; natural environment protection activities and achievements; and disclosure of

environmental data in the annual accounts. Authors found that the environmental reporting of sample companies has a fundamentally narrative character, although there has been an increase in both quantitative and financial reporting, as well as in the number of companies that are reporting. The factors analysed do not allow detecting significant differences, except for whether the parent company is foreign-based. Consequently, there is no significant evidence that the behaviour of company's management has tried to satisfy the stakeholders over the period analysed in the environmental reports.

The stakeholders' theory that influences the environmental disclosure was developed in the recent period. Investors and stakeholders in continental Europe are becoming increasingly concerned about corporate environmental policies. As a result, many firms are voluntarily increasing the extent of environmental disclosures in their annual report. Cormier *et al.* (2005) identified determinants of corporate environmental disclosure using multi-theoretical lenses that rely on economic incentives, public pressures and institutional theory. The study focuses on large German firms with a distinct legal and regulatory context and with acute environmental concerns. Results show that risk, ownership, fixed assets age, firm size as well as routine determine the level of environmental disclosure by German firms for a given one year period. More results, consistent with institutional theory suggest that disclosure made by German firms is converging over time. Overall, results strongly suggest that environmental disclosure is multidimensional and is driven by complementary forces.

Analyzing the impact of introduction the mandatory reporting guidelines, on the environmental disclosures of seventy-one Australian companies, Frost (2007) concluded that environmental regulation determined an increase in the level of total environmental disclosure, most significantly for those companies that reported breaches of regulations and that do not issue a stand-alone environmental report. The author highlighted the limitations of continual reliance upon voluntary reporting to provide consistent substantive information on environmental performance.

A number of studies emphasized the relation between environmental performance and environmental disclosure. Recent empirical investigations of the corporate environmental performance and the level of environmental disclosures relation reported mixed results (Al-Tuwaijri *et al.*, 2004; Hughes *et al.*, 2001; Patten, 2002). Al-Tuwaijri *et al.* (2004) considered that controlling for firm size and industry classification (two factors previously shown to be related to the extent of environmental disclosure) there was a significant negative relation between performance and disclosure for sample firms. However, the disclosure level of firms from non-environmentally sensitive industries is more affected by toxic release levels than is the disclosure of firms from environmentally sensitive industries.

Clarkson *et al.* (2008) revisit this relation by testing competing predictions from economics based and socio-political theories of voluntary disclosure using a more rigorous research design. They improve the prior literature by focusing on purely discretionary environmental disclosures and by developing a content analysis index based on the Global Reporting Initiative sustainability reporting guidelines to assess the extent of discretionary disclosures in environmental and social responsibility reports. This index better captures firm disclosures related to its commitment to protect the environment than the indices employed by prior studies. Using a sample of 191 firms from the five most polluting industries in the US, Clarkson *et al.* (2008) find a positive association between environmental performance and the level of discretionary environmental disclosures. The result is consistent with the predictions of the economics disclosure theory but inconsistent with the negative association predicted by socio-political theories.

At the management implication level researchers focused on the present and potential future links between the environmental management and management accounting functions of a company or business (Bartolomeo *et al.*, 2000), on the impact of environmental uncertainty in fitting organization to the changed environment (Sharma, 2002; Kloot, 1997), on designing managerial performance (Gul & Chia, 1994) or the corporate budgeting system (Ezzamel, 1990). The most recent studies empirically examines the proposition that implementation of eco-efficient business strategies is associated with higher firm value (Sinkin *et al.*, 2008) or the effect of environmental information on investment decisions (Holm & Rikhardsson, 2008). Firms that adopt eco-efficient business strategies and, consequently, achieve reduced costs and increased profits should be more highly valued by the market than similar firms that do not adopt eco-efficient business strategies. Environmental information disclosure influences investment allocation decisions. In addition, potentially mitigating factors such as the investment horizon and the experience level of investors affect investment allocation decisions, but the predicted main effect of positive environmental information holds across different investment horizons and investor types. In their study, Holm and Rikhardsson (2008) found that, compared to other company information, environmental information is not rated as being very important by participating subjects even though the results suggest that it influences investment decisions.

3. SOCIAL AND ENVIRONMENTAL MIXTURE DEBATED IN ACCOUNTING LITERATURE (ACCOUNTING ISI JOURNALS)

Social and environmental issues have become a major concern for accounting research over the past two decades. Social and Environmental Accounting has attracted the attention of a number of researchers attempting to understand, explain and predict the disclosure of information on the social and environmental implications of business activities.

Analyzing the articles published in the 16 TRMJL indexed accounting journals, we observed that there is a limited appearance of studies focusing on the mixture of social and environmental accounting issues. Only 20% of papers included in our database propose a presentation of combined factors.

We found 12 articles published between 1976 and 1999 referring to the necessary efforts to expand the scope of accounting for better evaluation of organizational behaviour. Other papers developed formal corporate policy statements and accounting-reporting procedures dealing with social and environmental issues (Dierkes & Preston, 1977), established the relationship between information provided on social responsibility and corporate profitability or analyzed the concept of sustainability and its relationships with decision-making (Milne, 1996). The distribution on journals is quite irregular, most of the articles appearing in *Accounting Organizations and Society*.

As one may observe from Table 3, most of these articles were published in 2000s, and despite the journals tradition, the 19 articles had a regular distribution, nine of the sixteen journals having published at least one article on this subject. The majority of these studies tried to explain the disclosure of social and environmental information in the annual reports of large companies by reference to observable characteristics of those companies but also to cultural characteristics.

Table 3. Number of articles published on mixed social and environmental aspects of accounting, presented by journal and period

Thomson Reuters Master Journal List – Accounting journals	Social & Environmental	Period			
		'70s	'80s	'90s	2000s
1. Abacus - A Journal of Accounting Finance and Business Studies	2	-	1	-	1
2. Accounting and Business Research	3	-	-	-	3
3. Accounting and Finance	-	-	-	-	-
4. Accounting Horizons	3	-	-	1	2
5. Accounting Organizations and Society	8	2	1	2	3
6. Accounting Review	-	-	-	-	-
7. Australian Accounting Review	3	-	-	-	3
8. Contemporary Accounting Research	-	-	-	-	-
9. European Accounting Review	1	-	-	-	1
10. Journal of Accounting & Economics	-	-	-	-	-
11. Journal of Accounting And Public Policy	2	-	-	-	2
12. Journal of Accounting Research	-	-	-	-	-
13. Journal of Business Finance & Accounting	3	-	2	-	1
14. Management Accounting Research	1	-	-	1	-

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Thomson Reuters Master Journal List – Accounting journals	Social & Environmental	Period			
		'70s	'80s	'90s	2000s
15. Review of Accounting Studies	2	-	-	2	-
16. Spanish Journal of Finance and Accounting	3	-	-	-	3
Total	31	2	4	6	19

Analyzing the 31 papers, we can conclude that the main subject consist of social and environmental disclosures by reference to observable characteristics of companies. Studies of larger corporations have been steadily increasing in both size and complexity over the last ten years. However, international comparisons indicate variations between countries and variation over time in the disclosure area. Not only are such disclosures by larger corporations now commonplace but they are attracting increasing attention from stakeholders and regulators (Gray *et al.*, 2001).

Exploring the relationship between size and social and environmental disclosures has produced more consistent results. For example, Trotman and Bradley (1981) conclude that social and environmental disclosures can be explained by corporate turnover. Cowen *et al.* (1987) find that the relationship only holds for certain areas of disclosure (typically environmental and community-based disclosures) whilst Chow & Wong-Boren (1987) make the distinction between mandatory and voluntary disclosure and find only voluntary disclosure to be explained by size.

Other papers studied the relation between environmental performance and environmental disclosure. Patten's (2002) study examines the relation between 1990 annual report environmental disclosures for a sample of 131 US companies and their environmental performance as based on toxics release data from 1988 (made available in 1990). In contrast to the previous examinations, results indicate that, controlling for firm size and industry classification (two factors previously shown to be related to the extent of environmental disclosure), there is a significant negative relation between performance and disclosure for the sample firms. However, the disclosure level of firms from non-environmentally sensitive industries is more affected by toxic release levels than is the disclosure of firms from environmentally sensitive industries. Adams and Frost (2002) investigate the capacity for Australian organizations to voluntarily provide adequate social and environmental information by undertaking an analysis of current reporting practices with a focus on the reporting of performance-related information. Studies that are more recent refer the recent accounting scandals that look different when viewed from the perspectives of the political/regulatory process and of the market for corporate governance and financial reporting (Ball, 2009).

CONCLUSION AND DISCUSSIONS

Examining the articles referring to social and environmental aspects of accounting we found some interesting positions of the sixteen Thomson Reuters Master Journal List indexed accounting journals. We present a debate on the first four journals, classified by the number of articles from the total 154 of our database. The four journals are *Accounting Organizations and Society*, with 36% from the database, *Journal of Accounting and Public Policy*, with 16% from the database, *European Accounting Review*, with 10% and *Journal of Business Finance & Accounting*, with 9%. We considered that the explanation could be found in the publishing topics of the journals. Therefore, we subsequently discuss the characteristic topics of each journal and the number of articles published on social and environmental issues.

Accounting Organizations and Society is a major international journal concerned with all aspects of the relationship between accounting and human behaviour, organizational structures and processes, and the changing social and political environment of the enterprise. Its unique focus covers topics as: the social role of accounting, social accounting, social audit and accounting for scarce resources; processes influencing accounting innovations and the social and political aspects of accounting standard setting; information processing views of organizations, and the relationship between accounting and other information systems and organizational structures and processes; organizational strategies for designing accounting and information systems; human resource accounting; cognitive aspects of accounting and decision-making processes etc. These topics come to explain the percentage of 57% for the social aspects discussed in this journal, adding the 14% for mixed social and environmental aspects. Even if the journal does not have an explicit topic on environmental issues of accounting, we consider that the 29% of articles are the reflection of new behavioural aspects of research patterns.

Subjects treated in the *Journal of Accounting and Public Policy* include the interface of accounting with economics, political science, sociology, or law. Twenty-four articles of our database (16%) are published in *Journal of Accounting and Public Policy*. This is a considerable amount, compared to other journals. As one may see, the aim and scope of this journal does not focus on specific social and environmental issues, but we consider that its opening towards such subject is due to the public policy and the sociological aspects. These aspects determine an opened subject related to factors that influence them, namely social and environmental factors.

Devoted to the advancement of accounting knowledge, *European Accounting Review* emphasizes openness and flexibility, not only regarding the substantive issues of accounting research, but also with respect to paradigms, methodologies and styles of conducting that research. With an opened scope, it is understandable

why we found a significant number of social and environmental articles published in this journal. Environmental topics have the best representation in this journal, being a fashioned and much debated theme around Europe.

The scope of the *Journal of Business Finance & Accounting* is broad. A distinctive feature of the *Journal* is that it recognises that adverse selection and moral hazard issues are pervasive in financial markets and business organisations, and that Accounting (both financial and managerial) plays a part in ameliorating the problems arising from such informational problems. These linkages are especially apparent in the areas of corporate governance, financial communication, financial performance measurement, and managerial reward and control structures. The corporate governance topic is the one that explains the great percentage (50%) of social accounting researches and the 21% for social and environmental articles. Most of them treat the corporate social responsibility in accounting.

Even if only these four journals may be considered to given a material significance to social and environmental aspects of accounting, the ten years periods analysis (see table 1 to 3) shows that all journals, except *Accounting and Finance*, tend to raise the importance of the theme. We consider that these journals will broaden their aims and scope by including social and environmental aspects of accounting. But this is not a unilateral approach. More and more researchers tend to give a greater importance to these aspects, either by debating the theoretical aspects, or conducting positive researches to explain the impact of social and environmental contingent factors on disclosure and on the performance of economic entities. A synthesis of our research's result is presented in Table 4.

Table 4. Number of articles published on social (S), environmental (E) and mixed social and environmental (S&E) aspects of accounting

TRMJL – Accounting journals	S	%	E	%	S&E	%	Total by journal	%
1. Abacus	2	40%	1	20%	2	40%	5	3%
2. Accounting and Business Research		0%	1	25%	3	75%	4	3%
3. Accounting and Finance		NA		NA		NA	0	0%
4. Accounting Horizons	1	13%	4	50%	3	38%	8	5%
5. Accounting Organizations and Society	32	57%	16	29%	8	14%	56	36%
6. Accounting Review		0%	2	100%		0%	2	1%
7. Australian Accounting Review	1	17%	2	33%	3	50%	6	4%

TRMJL – Accounting journals	S	%	E	%	S& E	%	Total by journal	%
8. Contemporary Accounting Research	2	67%	1	33%		0%	3	2%
9. European Accounting Review	3	19%	12	75%	1	6%	16	10%
10. Journal of Accounting & Economics		0%	1	100%		0%	1	1%
11. Journal of Accounting and Public Policy	6	25%	16	67%	2	8%	24	16%
12. Journal of Accounting Research	1	100%		0%		0%	1	1%
13. Journal of Business Finance & Accounting	7	50%	4	29%	3	21%	14	9%
14. Management Accounting Research	1	17%	4	67%	1	17%	6	4%
15. Review of Accounting Studies		0%	1	33%	2	67%	3	2%
16. Spanish Journal of Finance and Accounting		0%	2	40%	3	60%	5	3%
Total by period	56		67		31		154	100%

This study is the beginning of a more complex research on risks and uncertainties generated by contingent social and environmental factors that influence the financial reporting. This first step, designated to archival research on TRMJL accounting journals offers us the possibility of creating our research database. The next step is to debate the most researched subjects of social and environmental accounting, trying to identify the information presented by different entities (by region and by industry) in order to outline the possible risks and uncertainties that should be disclosed in financial statements.

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