Assurance of corporate social responsibility reports

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ORIGINAL ARTICLE

Assurance of corporate social responsibility reports: Does it reduce decoupling practices?

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Abstract

Recent research shows the existence of a selective corporate social responsibility (CSR) disclosure strategy that creates a gap between CSR disclosure and actual performance. These CSR decoupling practices compromise the credibility of CSR reports and have triggered a demand for the adoption of credibility enhancement mechanisms, such as adherence to the global reporting initiative (GRI) reporting guidelines, and the external assurance of CSR reports. The effectiveness of such mechanisms is not clear, however. This paper draws on legitimacy theory and addresses the issue of symbolic versus substantive use of assurance, and compliance with GRI reporting standards, by analysing their effect on CSR decoupling using an international sample of 1,939 companies (15,219 observations from 2002 to 2017). Analysis of a sub-sample of 708 firms (3,730 observations from 2011 to 2017) also shows that the application of GRI guidelines and the specific characteristics of the assurance provider—accountant, experience and specialisation—reduce CSR decoupling practices. The results provide researchers, managers, assurance providers, investors, stakeholders and regulators with additional insight into the value of the external assurance of sustainability reports and have important managerial and policy implications.

KEYWORDS
CSR assurance, CSR decoupling, GRI guidelines, legitimacy theory, reporting quality

1 | INTRODUCTION

Corporations worldwide are nowadays producing integrated and stand-alone corporate social responsibility (CSR) reports (KPMG, 2017). At the same time, stakeholder scepticism about CSR disclosures has increased in recent years (Ballou et al., 2018; Clarkson et al., 2019; García-Sánchez, Raimo, et al., 2021; Jauernig & Valentinov, 2019; Knight, 2020), as has the incidence of greenwash,

that is disclosure that gives people an excessively positive image of a company's CSR performance (Du & Wu, 2019). This selective disclosure strategy creates a gap between a company's CSR disclosure and its actual performance (Adams, 2004; García-Sánchez, 2021; García-Sánchez et al., 2021a; Sauerwald & Su, 2019), often referred to as CSR decoupling.

Following Tashman et al. (2019), we define the CSR gap, or CSR decoupling, as the difference between what is being portrayed in

CSR reports and what firms are actually doing. The existence of this gap reduces the integrity and reliability of CSR reports (Boiral et al., 2019; Knight, 2020) and hampers their credibility (Jauernig & Valentinov, 2019). Given that the accuracy of a firm's CSR performance disclosure is critical (Clarke, 2007), researchers have recently examined corporate engagement in such CSR-related facades (Cho et al., 2015; Kim & Lyon, 2015) and in other kinds of selective sustainability disclosure (Clarkson et al., 2019; Marquis et al., 2016).

In line with the dominant view of CSR as a function of corporate governance (Zaman et al., 2020, p. 23), research has shown that monitoring mechanisms can reduce the likelihood that firms engage in CSR decoupling. Sauerwald and Su (2019) found that the board of directors (an internal corporate governance mechanism) plays a role in mitigating CSR decoupling via a deterrent effect derived from effective monitoring by outside and qualified directors. Other authors have focussed on external monitoring mechanisms, such as governmental monitoring (Marquis & Qian, 2014), stakeholder scrutiny (Aqueveque et al., 2018; Marquis et al., 2016; Tashman et al., 2019), SRI rating services (Knight, 2020) and financial analyst coverage (García-Sánchez et al., 2021a), observing that they all discourage CSR decoupling.

Surprisingly, the role of CSR assurance in mitigating CSR decoupling remains mostly unexplored. As an external monitoring mechanism, the primary purpose of assurance is to improve the credibility of CSR reports (Adams & Evans, 2004; Brown-Liburd & Zamora, 2015; Dalla Via & Perego, 2020; Du & Wu, 2019). External assurance is thus linked to higher quality CSR reporting (Ballou et al., 2018; Moroney et al., 2012; Prado-Lorenzo et al., 2009; Sethi et al., 2017) and greater transparency (Christensen, 2016). Accordingly, it can be expected that the external assurance of CSR reports will lessen the gap between CSR reporting and real CSR performance (Sauerwald & Su, 2019).

Another mechanism considered important for the credibility of CSR reports is adherence to elite reporting standards (Lock & Seele, 2016). Essentially, adherence to these standards should improve corporate transparency concerning CSR activities (Behnam & MacLean, 2011). The global reporting initiative (GRI) framework is acknowledged as an elite global standard for CSR reporting (Clarkson et al., 2019; Hussain et al., 2018; Michelon et al., 2015; Talbot & Boiral, 2018). Implementation of the GRI guidelines signals greater transparency and CSR reporting quality (Du & Wu, 2019; King & Bartels, 2015).

The literature has acknowledged the possible symbolic use of both CSR assurance and the GRI reporting framework by companies (Michelon et al., 2015; Talbot & Boiral, 2015). This acknowledgement casts doubts about their actual ability to improve CSR reporting transparency (Adams & Evans, 2004; Behnam & MacLean, 2011; Boiral et al., 2019). Anecdotal evidence shows that despite adherence to the GRI standards and being assured by a third party, many reports are ambiguous, opaque and incomplete (Michelon et al., 2015; Talbot & Boiral, 2018).

This paper uses legitimacy theory to address the symbolic versus substantive use of assurance and compliance with the GRI reporting standards, by analysing their effect on CSR decoupling. Analysis of an international sample of 1,939 firms (15,219 observations from 2002 to 2017) indicates that the preparation of CSR reports according to the GRI guidelines aligns CSR disclosure with actual performance. Although we note a negative association between assurance and CSR decoupling, it is econometrically insignificant. Nevertheless, for a sub-sample of 708 firms and 3,630 firm-year observations from 2011 to 2017, although assurance quality has no effect on the CSR gap, we found that some characteristics of the assurance provider negatively affect decoupling practices.

We contribute to the literature in various ways. Firstly, this paper provides empirical evidence about the role of CSR assurance and adherence to the GRI guidelines in mitigating CSR decoupling, and complements research concerning the ability of reporting standards and CSR assurance to improve CSR reporting quality (Adams & Evans, 2004; Behnam & MacLean, 2011; Hahn & Lülfs, 2014; Michelon et al., 2015; Talbot & Boiral, 2018). Specifically, analysing the effect of the conditions under which an assurance service is provided, and the output characteristics (i.e., assurance quality and assurance provider's characteristics) on the role played by assurance in relation to CSR decoupling is novel and is an important contribution of this study.

Secondly, we contribute to the literature on CSR decoupling by reinforcing and extending prior research on the role of external monitoring mechanisms (i.e., CSR assurance) and the adherence to CSR reporting standards (i.e., the GRI guidelines) in reducing the gap between CSR reporting and real CSR performance. Furthermore, we use a broader perspective than prior studies on the mitigating mechanisms of CSR decoupling that consider a single country (García-Sánchez et al., 2021a; Marquis & Qian, 2014) or specific situations (Knight, 2020; Tashman et al., 2019), including firms from 10 industries and 31 different countries, which contributes to the generalisability of our results. We also use a long analysis period (2002–2017 or 2011–2017), broadening the time frame so far considered. Along with our sample's breadth, this should be stressed as a distinctive characteristic of our study.

Thirdly, this research also contributes to the CSR assurance literature by showing the effect of assurance provider characteristics in restraining CSR decoupling and therefore in improving CSR reporting quality. We therefore extend the literature regarding how the type of assurance provider affects the credibility of CSR reports (Cuadrado-Ballesteros et al., 2017; Martínez-Ferrero & García-Sánchez, 2017b).

Lastly, from a theoretical point of view, the findings contribute to legitimacy theory by showing that the assurance of sustainability reports and adherence to the GRI guidelines help firms gain external legitimacy. From a practical viewpoint, our results also provide researchers, managers, stakeholders and regulators with important insights into the relevance of the external assurance of sustainability reports, helping them understand the effect of assurance provider

characteristics (e.g., accounting training, specialisation, experience) and GRI compliance on CSR reporting quality.

In the next section, we present the theoretical background to the development of hypotheses. Section 3 outlines the empirical framework. Section 4 summarises the main results along with their discussion. Section 5 complements the main analysis by studying the effect of assurance quality and assurance providers' characteristics on CSR decoupling, whereas some robustness analyses are presented in Section 6. The final section displays the main conclusions and implications.

2 | THEORETICAL FRAMEWORK AND HYPOTHESES DEVELOPMENT

According to legitimacy theory, the extent to which an organisation's structures and behaviours conform to socially constructed norms and principles guarantees its social acceptance and therefore its survival. Legitimacy is a status that is reached when an organisation's value system is consistent with the prevailing value system in society (Lindblom, 1994). Adopting a broad definition that simultaneously incorporates a cognitive and evaluative dimension, Suchman (1995, p. 574) defined legitimacy as "a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions" and posited that organisational legitimacy could be considered from two perspectives: institutional legitimacy and strategic legitimacy (Suchman, 1995).

According to Ashforth and Gibbs (1990), an organisation may follow two different approaches in the search for legitimation: substantive management and symbolic management. The first posits that organisations seek to legitimise themselves through a real change in their objectives, strategies, structures, processes and/or practices in order to align them with institutionalised values and norms. In symbolic management the quest for legitimacy does not entail real change in an organisation and simply uses different symbols to project an image in accordance with social values and expectations to influence stakeholder perceptions (Michelon et al., 2015).

The largely voluntary and unregulated nature of CSR reporting (Knight, 2020) opens the door for subjectivity in the elaboration of CSR reports (Dhaliwal et al., 2011; Marquis & Qian, 2014), where firms enjoy considerable latitude when deciding on the scope of a CSR report, as well as the kind of CSR information to be disclosed (Clarkson et al., 2019; Lyon & Maxwell, 2011), which is mostly focussed on the favourable aspects of the company's CSR performance and omits or masks the unfavourable elements, providing an incomplete and biased picture of its actual CSR performance (Arena et al., 2018; Ballou et al., 2018; Du & Wu, 2019; García-Sánchez et al., 2021a; Kim & Lyon, 2015; Martínez-Ferrero et al., 2018; Sauerwald & Su, 2019).

This discretionary disclosure strategy creates a gap between a company's CSR disclosure and its actual performance (García-Sánchez et al., 2021a; Tashman et al., 2019), so that it is possible to observe a discrepancy between "talk" (what is being portrayed in CSR reports) and "walk" (what firms are actually doing). As noted by Deegan (2009, p. 364), "this decoupling can be linked to some of the insights from legitimacy theory, whereby social and environmental disclosures can be used to construct an organizational image that might be very different from the actual organizational social and environmental performance".

Although decoupling is generally identified with a form of greenwashing (Lyon & Montgomery, 2015; Marquis et al., 2016; Sauerwald & Su, 2019; Tashman et al., 2019), the misalignment between reporting and action involves both overstatement and understatement (García-Sánchez et al., 2021a). In the latter case, firms underreport their good CSR practices, and, consequently, offer an opaque image of their actual CSR performance (Crilly et al., 2012; Delmas & Burbano, 2011) for several reasons, such as uncertainty regarding the reaction of the market, and an intention to mitigate possible conflicts with stakeholders when their goals are divergent (Crilly et al., 2012; García-Sánchez et al., 2020). Although these underreporting practices may seem less harmful than overstating practices, as García-Sánchez et al. (2021a) observed, both types of decoupling are equally damaging and have a detrimental effect on firm value.

Indeed, CSR decoupling compromises the integrity and reliability of CSR reports (Boiral et al., 2019; Knight, 2020) and hampers their credibility (Clarkson et al., 2019; Jauernig & Valentinov, 2019; Lock & Seele, 2016; Michelon et al., 2015). As a result, CSR decoupling can negatively affect firm value (García-Sánchez et al., 2021a; Hawn & Ioannou, 2016; Tashman et al., 2019) and thus create conflict between a firm and its stakeholders. Although CSR decoupling aims to create "legitimacy façades" (Arena et al., 2018), public awareness of such deception (Graafland & Smid, 2019; Knight, 2020; Schons & Steinmeier, 2016) leads to scepticism amongst users (Ballou et al., 2018; Clarkson et al., 2019), which, in turn, may result in a loss of legitimacy (MacLean & Behnam, 2010; Tashman et al., 2019). There is thus a need for mechanisms that improve the credibility of CSR reports (Clarkson et al., 2019).

2.1 | CSR reporting standards and CSR decoupling

The GRI reporting framework offers comprehensive guidelines on what and how to report on CSR issues (Vigneau et al., 2015). Implementing the GRI guidelines signals higher transparency and CSR reporting quality (Ballou et al., 2018; Du & Wu, 2019; King & Bartels, 2015). Their widespread use and international acceptance (Talbot & Boiral, 2018) mean that the GRI reporting guidelines are considered "the de facto global standard" in CSR reporting (KPMG, 2011, p. 20) and are becoming an institutionalised practice (Brown et al., 2009), so that the implementation of such guidelines is often associated with CSR reporting quality (Du & Wu, 2019; Graafland & Smid, 2019), and thus affect stakeholder judgements of the credibility of disclosed information (Lock & Seele, 2016).

The GRI guidelines may be adopted for "reputation management and brand protection" (Brown et al., 2009, p. 573), however, rather

than improving CSR reporting quality. In other words, the GRI guidelines may be used for reputation improvement purposes, to obtain legitimacy (Hahn & Lülfs, 2014; Vigneau et al., 2015), without introducing substantive changes to the content (e.g., completeness, consistency, materiality) or quality (e.g., balance, accuracy) of reports (Michelon et al., 2015). Adopting the GRI guidelines thus does not always lead to the increased reliability and transparency of CSR reports (Behnam & MacLean, 2011; Michelon et al., 2015) and may have the opposite effect, facilitating instead of inhibiting the kind of behaviours the standards were designed to dissuade (Behnam & MacLean, 2011). On the one hand, the broad principles and open-ended time frame in the GRI framework give companies discretion and flexibility in relation to compliance with the standard (Clarkson et al., 2019; Michelon et al., 2015). Companies may thus claim that they report following the GRI guidelines, although they do not fully implement them (Behnam & MacLean, 2011), raising expectations about the completeness, balance, and materiality of the CSR reports that do not correspond to the reality (Boiral et al., 2019). Talbot and Boiral (2018) found that most of the GRI reports they analysed were incomplete, and omitted information on climate performance, and Boiral and Henri (2017) stress the difficulty of measuring and comparing the information about 92 GRI indicators disclosed by firms in the same industry due to its ambiguous and incomplete nature. On the other hand, companies can use the GRI guidelines symbolically by adopting a "box ticking" approach (Lock & Seele, 2016), thus increasing the volume of information disclosed without improving the reporting quality (Michelon et al., 2015). Du and Wu (2019) found that observing the GRI guidelines does not prevent future misconduct in CRS reporting by Taiwanese firms.

In contrast to this critical view, another research steam shows that GRI compliance does improve reporting quality (Ballou et al., 2018), as the standardisation of the report content provides a better-defined framework that favours consistency (Knight, 2020) and allows users to assess the completeness of reports and identify potential omissions (Lock & Seele, 2016). Furthermore, given that adherence to the GRI framework entails a cost (Behnam & MacLean, 2011), the fact that a firm decides to report according to the GRI guidelines may be indicative of a greater commitment to CSR (Michelon et al., 2015). Graafland and Smid (2019) found that adopting the GRI guidelines improves CSR-related programs and fosters a reduction in the gap between CSR policies and actual practices. The GRI guidelines also recommend using independent assurance to verify that sustainability reports really offer a balanced and reasonable representation of CSR performance and thus add credibility (Adams & Evans, 2004). GRI adoption might therefore affect the decision to obtain external assurance.

Michelon et al. (2015) report a significant, although the weak, positive association between adopting the GRI framework and the completeness of sustainability reports (their measure of reporting quality), which they attribute to a substantive way of approaching CSR reporting. Similarly, Ballou et al. (2018) found a significant relationship between the adoption of the GRI guidelines and CSR restatements, which led them to conclude that GRI compliance

improves reporting quality. Similarly, Sauerwald and Su (2019) note that adherence to the GRI guidelines reduces the gap between CSR reporting and actual performance (i.e., CSR decoupling).

We share this view that the adoption of the GRI guidelines on CSR reporting quality has a substantive effect, not only because of the greater commitment to CSR associated with adherence to this framework but also because we believe that the requirements, principles and protocols of the GRI framework favour relevant and transparent disclosure in such a way that CSR reporting will better reflect CSR actions. Accordingly, we hypothesise the following:

Hypothesis 1 *There is a negative association between the adoption of the GRI guidelines in CSR reporting and CSR decoupling.*

2.2 | CSR assurance and CSR decoupling

Assurance services for CSR reports are growing (Accountancy Europe, 2017). As more firms around the world report on CSR practices, the number of companies that have such reports assured by third parties has also increased (KPMG, 2017). An increasing number of firms opt to assure their CSR reports under pressure from regulation, stock exchanges and investors (Moroney & Trotman, 2016). As a result, the assurance of CSR reports has evolved into an emerging market for non-financial audit services (Cohen & Simnett, 2015; Cuadrado-Ballesteros et al., 2017). A variety of providers can assure CSR reports at various levels, with quality based on tailored non-financial audit approaches (Dalla Via & Perego, 2020).

The literature concerning the role of assurance in improving the reliability of CSR disclosure offers two contrasting views. The symbolic view argues that companies use external assurance for impression management purposes (Adams & Evans, 2004; Boiral et al., 2019; Michelon et al., 2015; Smith et al., 2011). From this perspective, hiring CSR assurance services is motivated by the need for increased credibility (Birkey et al., 2016; Brown-Liburd et al., 2018). CSR assurance can thus be used symbolically to convey a misleading image of reporting transparency and reliability (Boiral et al., 2019; Talbot & Boiral, 2015) while maintaining opacity about a company's actual CSR performance (Martínez-Ferrero & García-Sánchez, 2017b).

The fact that CSR assurance is voluntary along with the unregulated nature of CSR assurance services, and the lack of clearly defined procedures (Ballou et al., 2018; Owen, 2007) opens the door to companies that only want to create legitimacy with such assurance and use it to create a "credibility cover" aimed at influencing stakeholder perceptions positively (Behnam & MacLean, 2011; Gillet, 2012). The possibility that CSR is subject to "managerial capture" (Farooq & de Villiers, 2019; Michelon et al., 2015), not only casts doubt on the impartiality of the assurance provider (Boiral et al., 2019; Owen et al., 2000) but also affects the effectiveness of its assurance that CSR reports reflect an accurate, complete and balanced picture of a firm's CSR performance (Adams & Evans, 2004).

Michelon et al. (2015) showed that CSR assurance was not associated with the quality and quantity of the data disclosed

in sustainability reports. Similarly, Talbot and Boiral (2015) observed that CSR assurance does not reinforce the quality of sustainability reports which continue disclosing opaque data. Christensen (2016) found no evidence that CSR assurance reduces a firm's engagement in high-profile misconduct in CSR reporting. Talbot and Boiral (2018) observed that even when assured sustainability reports were incomplete and suffered from a lack of reliability, these problems were not cited in the assurance statements. Similarly, Boiral et al. found that assurance statements are characterised by "an optimistic and cautious rhetoric", which allows the shortcomings of CSR reports to pass without comment. These findings suggest that CSR assurance can be a means of "greenwashing" (Clarkson et al., 2019) and thus support the argument that assurance in CSR reporting is only used symbolically.

Conversely, the substantive view of CSR assurance implies that external assurance affects reporting so that it is more transparent and better reflects a firm's CSR activities. Proponents of this view argue that obtaining assurance is associated with a more substantial commitment to transparency (Brown-Liburd et al., 2018), as it performs a monitoring function (Adams & Evans, 2004; Sethi & Williams, 2000) and has "a disciplinary effect". Park and Brorson (2005) point out the greater reliability of the data disclosed in sustainability reports as a merit of assurance.

Moroney et al. (2012) observed that CSR assurance is associated with a higher quality of disclosed information, and Ballou et al. (2018) document the positive effect of CSR assurance on CSR restatements. External assurance is therefore linked to a higher quality of CSR reports (Ballou et al., 2018; Prado-Lorenzo et al., 2009; Sethi et al., 2017) and enhanced transparency (Christensen, 2016), thereby lessening information asymmetry between a company and its stakeholders (Hawn & Ioannou, 2016).

The only study that has analysed the effect of CSR assurance on CSR decoupling (i.e., Sauerwald & Su, 2019) has documented a negative effect, which implies that CSR assurance restrains CSR decoupling. We defend this substantive view and expect that the assurance of CSR reports, as a monitoring mechanism, will lessen the gap between CSR reporting and real CSR performance (Sauerwald & Su, 2019). Accordingly, we hypothesise the following:

Hypothesis 2 *There is a negative association between the external assurance of CSR reports and CSR decoupling.*

3 | RESEARCH METHOD

We gathered data from Thomson Reuters EIKON for the 2002–2017 period to test our hypotheses. Our initial unbalanced sample was composed of 3,682 firms (55,445 observations) from 10 industries and 71 different countries. We removed those firms that had not issued a CSR report. The final sample was composed of 1,939 firms (15,219 observations) from 10 industries and 31 different countries for the same period (see Panels A and B in Table 1). The following

model assesses the effect of GRI compliance and external assurance on CSR decoupling:

$$
\begin{aligned}
CSR\_Gap_{it+1} = {} & \delta_1 DGRI_{it} + \delta_2 DAssurance_{it} + \delta_3 DGRI * DAssurance_{it} \\
& + \delta_4 BSize_{it} + \delta_5 BActivity_{it} + \delta_6 CEOduality_{it} + \delta_7 BInd_{it} \\
& + \delta_8 WoB_{it} + \delta_9 CSRCom_{it} + \delta_{10} Analysts_{it} + \delta_{11} InstInv_{it} \\
& + \delta_{12} Size_{it} + \delta_{13} Leverage_{it} + \delta_{14} Advert\_intensity_{it} \\
& + \delta_{15} MtoB_{it} + \delta_{16} ROA_{it} + \delta_{17} Crisis_{it} + \delta_{18} NCSRPI_{it} \\
& + \delta_{19} Country_i + \delta_{20} Industry_i + \delta_{21} Year_t + \mu_{it} + \eta_i
\end{aligned}
$$

(Model 1)

where i refers to firm and t refers to period and δ are the parameters to be estimated. We also include a specific company effect in the models, where η represents the unobservable heterogeneity that can affect corporate decision-making, and where μ is the disturbance produced. We use a fixed-effect linear regression for panel data in order to control heterogeneity problems. We use lagged independent variables in regression to avoid endogeneity problems. More specifically, one lag period was considered for the explanatory variables, as there is usually a strong connection between the different business decisions. Several papers have noted that companies with better CSR performance disclose higher levels of standardised information and have a higher predisposition to hire assurance services (i.e., Clarkson et al., 2008, 2019). Centring variables have been used for interaction terms in order to control for multicollinearity problems.

3.1 | Dependent variable

The CSR_Gap variable identifies decoupling practices, for which we adopt the measurement of Hawn and Ioannou (2016), who consider the gaps in the scores of 24 external and 21 internal actions, however, we have omitted several external and internal items to avoid potential duplications with the estimated model's control variables. More specifically, this variable is the normalised gap between CSR disclosures (20 external items) and CSR performance (18 internal items) obtained from Thomson Reuter's ASSET4. It shows a −1 to +1 distribution, where values close to 1 indicate greenwashing practices where companies say more than they do because the sum of CSR disclosure is greater than the CSR performance (underperformance). Values close to −1 indicate that there are companies that do not report all their actions (under-disclosure). See Annex 1 for the procedure used to create this variable.

3.2 | Independent variables

Two independent variables have been defined in order to test our Hypotheses H1 and H2: DGRI and DAssurance.

DGRI is a dummy variable that takes the value of 1 if the CSR report is elaborated following the GRI guidelines and 0 otherwise. This measure has been widely employed in prior studies (i.e., Dhaliwal et al., 2011).

TABLE 1 Sample and descriptive statistics

Panel A. Sample by geographic zone				Panel C. Descriptive statistics		
Country	**%**	**Country**	**%**	**Variable**	**%**	
AUSTRALIA	5.93	SINGAPORE	1.99	DGRI	62.60%	
BELGIUM	0.93	SOUTH AFRICA	3.93	DAssurance	46.01%	
BRAZIL	1.68	SPAIN	1.37	DGRI × Dassu	37.93%	
CANADA	4.49	SWEDEN	1.66	CEODuality	65.65%	
CHILE	0.97	SWITZERLAND	2.21	CSRCommittee	74.21%	
CHINA	2.36	TAIWAN	2.21	Crisis	15.72%	
DENMARK	0.69	THAILAND	0.72	Firms' Underperformance	53.68%	
FINLAND	0.96	UNITED KINGDOM	9.61	Firms' Underdisclosure	46.32%	
FRANCE	3.91	UNITED STATES	22.56	Variable	Mean	Std. Dv.
GERMANY	2.69			CSR_Gap	0.010	0.015
HONG KONG	2.75	*Panel B. Sample by industry*		BSize	11.248	3.841
INDIA	1.85	Industry	%	BActivity	9.931	9.699
INDONESIA	0.62	Oil and gas	6.28	BIndep	46.631	30.509
ITALY	1.47	Basic materials	11.05	WoB	13.176	12.158
JAPAN	12.87	Industry	19.36	Analysts	13.652	9.415
KOREA (SOUTH)	2.34	Consumer goods	12.22	InstInv	25.296	24.602
MALAYSIA	1.33	Health	5.16	Size	17.072	3.009
MEXICO	1.73	Consumer services	12.33	ROA	5.215	28.130
NETHERLANDS	1.37	Telecommunications	2.59	Leverage	77.239	11.679
NEW ZEALAND	1.54	Public services	5.37	Advert_Intensity	1.457	1.173
NORWAY	0.68	Financial and real state	19.29	MtoB	1.110	2.641
RUSSIA	0.58	Technology	6.35	NCSRI	0.527	8.997

Following the existing assurance literature convention, we operationalised the external assurance variable, DAssurance is a dummy variable that takes 1 when the report is assured and 0 otherwise (Kolk & Perego, 2010; Simnett et al., 2009). The interactions of both variables (DGRI × DAssurance) allow us to observe the joint effect of the quality of the CSR report on CSR_Gap.

3.3 | Control variables

We also include various firm and institutional-level control variables in order to avoid biased results. According to Zaman et al. (2020), those factors that allow us to control the interdependence between external and internal corporate governance mechanisms, and CSR policies and actions were included in the model, as a necessary integrative consideration that takes into account the role that institutional environments could play in this relationship (Jamali, Jain, et al., 2020; Jamali, Samara, et al., 2020; Samara et al., 2018).

Following Jo and Harjoto (2012), Martínez-Ferrero and García-Sánchez (2017a) and López-Arceiz et al. (2020), we include BSize as the total number of directors comprising the board and BActivity as the number of meetings during the year. We include a dummy for CEOduality. We also controlled for board independence, BInd, and

gender diversity, WoB, measured as the proportion of independent and female directors on the board, respectively. We controlled for other governance aspects such as CSR committee (CSRCom), analyst coverage (Analyst) and institutional ownership (InstInv).

Amongst other firm-level aspects, we include the following: Size, measured as the natural logarithm of total assets; Leverage, as the ratio of long-term debt to total assets; market-to-book value, MtB, as the market-to-book ratio; Advertising_intensity, as the advertising-to-sales ratio calculated by dividing total advertising expenses by sales revenue and ROA, as the return-on-assets ratio. Crisis is a dummy variable that reflects the economic recession in 2008–2010. We also control for the institutional pressures at the country level using the national composite index proposed by Amor-Esteban et al. (2019), NCSRI. Lastly, we control for country, industry and year.

4 | FINDINGS

4.1 | Descriptive findings

Panel C in Table 1 shows the descriptive statistics for the numerical variables and the frequencies for the dichotomous variables. In the sample, 62.60% of companies follow the GRI guidelines, on different levels, which confirms arguments regarding the widespread

use of the GRI reporting framework (Clarkson et al., 2019; Talbot & Boiral, 2018).

The table also shows that the percentage of companies that assure their CSR report is low, at 46.01%. The CSR_Gap mean of 0.010 (+0.015) is indicative of the existence of CSR decoupling practices between CSR performance and CSR reporting, showing that there are greenwashing companies that use CSR reporting to falsify their underperformance, and firms that under-disclose, but that under-performance is higher as the mean is positive from a −1 to +1 distribution (Delmas & Burbano, 2011; Sauerwald & Su, 2019; Tashman et al., 2019). Approximately 54% of firms underperform, while 46% under-disclose.

The board of directors is accountable for the credibility and consistency of the disclosed corporate information, and we note that on average boards are made up of 11 members, and less than half of them are independent directors. A specialised committee for CSR has been created in 74.21% of companies. On average, the companies are followed by 14 analysts.

Table 2 summarises the bivariate correlations for the variables used in the analysis. As can be seen, the coefficients suggest the absence of multicollinearity problems.

4.2 | Main findings and discussion

The main regression findings are reported in Table 3. This shows both the global model and three previous step estimations in which only the variables relating to GRI report or CSR assurance have been included or without its interaction. In Model 1, reflected in Column (D), we can see that the adoption of GRI guidelines decreases decoupling practices, leading to more transparent disclosure. This negative association between GRI adoption and CSR decoupling demonstrates the positive effect that using the GRI guidelines has on CSR reporting quality, as documented in some previous studies (Ballou et al., 2018; Lock & Seele, 2016), and specifically coincides with the findings of Sauerwald and Su (2019), who also found that adherence to the GRI guidelines reduces CSR decoupling. This indicates that the analysed companies have a substantive way of approaching CSR reporting and contradicts the arguments about a symbolic use of the GRI framework for reputation enhancement purposes (Brown et al., 2009) and for obtaining legitimacy (Hahn & Lülfs, 2014; Vigneau et al., 2015). It contrasts with other studies (Boiral & Henri, 2017; Talbot & Boiral, 2018), which provide evidence of a symbolic rather than substantive adoption of the GRI guidelines, demonstrated by the lack of completeness, ambiguity, and opacity in many GRI reports.

The results concerning DAssurance are negative but insignificant, which supports the argument that assurance may have been used to improve reputation (Birkey et al., 2016) rather than reducing information asymmetry and CSR decoupling. The non-significant association between CSR assurance and CSR decoupling suggests that assurance is used symbolically in CSR reporting (Cho et al., 2014; Michelon et al., 2015) and, consequently, does not improve the

reliability and relevance of CSR reports. Our finding is consistent with the findings of Boiral et al. (2019), Christensen (2016), Michelon et al. (2015) and Talbot and Boiral (2015), who documented the symbolic rather than substantive use of CSR assurance. However, this finding is inconsistent with previous evidence regarding a positive impact of assurance on disclosure quality (Ballou et al., 2018), and about its ability to prevent the occurrence of future CSR-related misconduct (Du & Wu, 2019), and, specifically, to restrain CSR decoupling (Sauerwald & Su, 2019).

The lack of a significant effect of CSR assurance on CSR decoupling is also reflected in the joint effect of both decisions, since issuing a CSR report following the GRI guidelines, which is also assured, is statistically not significant. This suggests that following the GRI recommendations restricts decoupling practices regardless of whether or not CSR reports are assured. A tentative explanation for this finding could be that the GRI guidelines recommend using external assurance, and so GRI adoption might influence the decision to obtain assurance. This suggests that CSR assurance is not a substitute for using the GRI guidelines in terms of reducing CSR decoupling, which contrasts with the findings obtained by Christensen (2016), who showed that GRI adoption does not increase the effect of CSR assurance in pre-empting the incidence of misconduct in CSR reporting, and Ballou et al. (2018), who found that, compared to the GRI reporting framework, CSR assurance plays a more important role in improving reporting quality. These results are consistent, however, with those obtained by Michelon et al. (2015), who found a weak effect of GRI adoption on reporting quality, but an insignificant effect of assurance.

Of the control variables, only the number of analysts who follow a company and a larger board of directors negatively affect decoupling practices. Surprisingly, the traditional measures of board effectiveness are not relevant from an econometric point of view. These results contrast with those obtained by Sauerwald and Su (2019), who found that internal corporate governance mechanisms (specifically, the presence of outside directors with CSR expertise) help mitigate CSR decoupling.

The absence of an effect from CSR assurance requires a more in-depth analysis of corporate information policies and their interrelations. Specifically, it can be seen in Figure 1 that there has been a favourable evolution in the use of the GRI guidelines to improve CSR reports, and that there has been a constant evolution of CSR assurance. It can also be noted that, since 2008, the companies that assure their CSR reports have prepared them according to the GRI guidelines, a convergence that could explain why the hiring of CSR assurance services lacks significance in our analysis.

5 | ADDITIONAL ANALYSIS

Unlike financial audits, there is no universal framework for the assurance of CSR reports that establishes the standards to be met (Adams & Evans, 2004; Casey & Grenier, 2015). All these factors affect a user's perceptions concerning the reliability of disclosure

TABLE 2 Correlation matrix

		1	2	3	4	5	6	7	8	9
1	CSR_Gap	1								
2	DGRI	0.01	1							
3	DAssurance	0.07***	0.38***	1						
4	DGRI_DAssu	0.06***	0.60***	0.85***	1					
5	BSize	0.03***	0.14***	0.17***	0.17***	1				
6	BActivity	0.01	-0.01	0.11***	0.08***	-0.16***	1			
7	CEODuality	-0.03***	-0.02***	0.02*	0.02*	-0.08***	0.28***	1		
8	Bindep	-0.21***	0.02*	-0.07***	-0.05***	-0.15***	-0.22***	-0.09***	1	
9	WoB	-0.12e***	0.07***	0.03***	0.05***	0.02***	-0.01	0.05**	0.33***	1
10	CSRCommittee	0.04***	0.28***	0.25***	0.28***	0.04***	0.03***	-0.02*	0.07***	0.11***
11	Analysts	0.02*	0.07***	0.07***	0.08***	0.07***	-0.08***	-0.06***	0.08***	0.06***
12	InstInv	0.00	0.03***	0.00	0.02*	0.03***	0.04***	0.07***	-0.15***	-0.01
13	Size	0.40***	0.10***	0.10***	0.12***	0.09***	0.01	-0.03***	-0.20***	-0.19***
14	ROA	-0.04***	0.00	0.00	0.00	-0.01	-0.04***	-0.02**	0.00	-0.01
15	Leverage	-0.01	0.02**	0.01	0.02*	0.01	0.00	-0.01	0.01	0.01
16	Adver_Intensity	0.01	-0.01	-0.01	-0.01	0.00	-0.02	-0.01	0.01	0.01
17	MtoB	-0.09***	0.00	-0.02**	-0.02**	-0.04***	-0.01	0.00	0.03***	0.03***
18	NCSRI	-0.07***	-0.04***	0.06***	0.03***	-0.06***	0.22***	0.12***	-0.02**	0.06***
19	Crisis	-0.03***	-0.01	-0.05***	-0.03***	0.04***	-0.05***	-0.07***	0.02	-0.12***

		10	11	12	13	14	15	16	17	18
10	CSRCommittee	1								
11	Analysts	0.06***	1							
12	InstInv	-0.05***	-0.06***	1						
13	Size	0.03***	0.28***	0.07***	1					
14	ROA	-0.02**	0.04***	0.02**	0.02*	1				
15	Leverage	0.01	0.01	0.00	0.00	0.05***	1			
16	Adver_Intensity	-0.02	0.00	-0.01	-0.01	0.00	-0.01	1		
17	MtoB	-0.01	0.01	0.04***	0.04***	-0.18***	0.03***	-0.02***	1	
18	NCSRI	0.01	0.00	-0.02***	-0.02**	-0.09***	0.00	0.00	-0.03***	1
19	Crisis	0.00	-0.08***	-0.02**	-0.02**	-0.04***	-0.01	0.00	0.00	-0.01

Note: Significance levels: *** p-value < .01; ** p-value < .05.

TABLE 3 Explanatory models

| | Model 1 | | | |
	(A)	(B)	(C)	(D)
DGRI	−0.00153** (0.000641)		−0.00178*** (0.000680)	−0.00218*** (0.000784)
DAssurance		0.000159 (0.000634)	0.000745 (0.000671)	−0.000348 (0.00126)
DGRI × DAssurance				0.00148 (0.00145)
BSize	−0.000231** (9.96e-05)	−0.000222** (9.96e-05)	−0.000233** (9.96e-05)	−0.000237** (9.97e-05)
BActivity	1.23e-05 (3.16e-05)	1.07e-05 (3.16e-05)	1.20e-05 (3.16e-05)	1.12e-05 (3.16e-05)
CEODuality	0.000434 (0.000657)	0.000469 (0.000658)	0.000458 (0.000658)	0.000454 (0.000658)
BIndep	−2.13e-05 (1.31e-05)	−2.09e-05 (1.32e-05)	−2.15e-05 (1.31e-05)	−2.15e-05 (1.31e-05)
WoB	0.000150*** (2.80e-05)	0.000149*** (2.80e-05)	0.000150*** (2.80e-05)	0.000152*** (2.80e-05)
CSRCom	0.000406 (0.000716)	0.000372 (0.000717)	0.000379 (0.000716)	0.000383 (0.000716)
Analysts	−0.000402*** (7.78e-05)	−0.000409*** (7.79e-05)	−0.000402*** (7.78e-05)	−0.000406*** (7.79e-05)
InstInv	5.25e-05* (2.88e-05)	5.28e-05* (2.89e-05)	5.17e-05* (2.89e-05)	5.20e-05* (2.89e-05)
Size	0.00704*** (0.000953)	0.00698*** (0.000955)	0.00700*** (0.000954)	0.00701*** (0.000954)
Leverage	−2.81e-05 (2.81e-05)	−2.79e-05 (2.81e-05)	−2.66e-05 (2.81e-05)	−2.70e-05 (2.81e-05)
Adver_Intensity	2.75e-07 (3.07e-07)	2.82e-07 (3.08e-07)	2.66e-07 (3.07e-07)	2.56e-07 (3.08e-07)
MtoB	0.000189 (0.000145)	0.000187 (0.000145)	0.000187 (0.000145)	0.000186 (0.000145)
ROA	0.000916** (0.000436)	0.000899** (0.000437)	0.000894** (0.000437)	0.000890*** (0.000437)
Crisis	−0.00126 (0.000792)	−0.00122 (0.000796)	−0.00119 (0.000795)	−0.00125 (0.000797)
NCSRI	−0.000112 (0.000133)	−0.000114 (0.000133)	−0.000117 (0.000133)	−0.000116 (0.000133)
Constant	−0.124*** (0.0161)	−0.124*** (0.0161)	−0.123*** (0.0161)	−0.123*** (0.0161)
R^2	11.97%	11.90%	12.00%	12.01%
F	8.84***	8.47***	8.39***	7.98***

Note: VIF value: DGRI 1.71 DAssurance 2.79 DGRI × Dassurance 3.09 Bsize 1.17 BActivity 1.23 CEODuality 1.14 BIndep 1.29 WoB 1.14 CSRCom 1.11 Analysts 1.15 InstInv 1.12 Size 1.17 Leverage 1.01 Adver_Intensity 1.01 MtoB 1.23 ROA 1.14 Crisis 1.05 NCSRI 1.19. $n = 15{,}219$ firm-year observations. Significance levels: $*p < .05$. $**p < .01$. $***p < .001$. Coefficient and standard errors (in parentheses) are reported.

(Hodge et al., 2009). Previous studies showed that user confidence in CSR reports is greater if they are assured by a top accounting firm (i.e., Big Four), and a reasonable level of assurance is provided (Cuadrado-Ballesteros et al., 2017; Pflugrath et al., 2011). Accordingly, apart from the issue of whether CSR reports are assured, the effect of assurance quality and an assurance provider's characteristics should also be considered (García-Sánchez, Aibar-Gúzman, et al., 2021; García-Sánchez et al., 2021b; Kolk & Perego, 2010; Zhou et al., 2013).

We used a sub-sample of assured reports to carry out these analyses, totalling 708 companies (3,730 observations corresponding to the 2011–2017 period). First, in Model 2, we included new variables that represent the relevance and quality of the CSR report's content and CSR assurance: GRICompliance and AQ. GRICompliance is a numerical variable that takes values between 1 and 3. Value 1 shows that the CSR report referenced the use of the GRI guidelines, or, in the case of firms that use G3.1, the C/C+ level has been declared. Value 2 is assigned to those firms whose CSR reports comply with the GRI guidelines "in accordance core" or, in the case of firms that use G3.1, the B/B+ level is declared, so these reports present a "medium" level. Value 3 is for those companies whose CSR reports comply with the GRI guidelines "in accordance comprehensive" or, in the case of firms that use G3.1, the A/A+ level is declared, so these CSR reports are very "advanced".

$$
\begin{aligned}
\text{CSR\_Gap}_{it} = {} & \delta_1 \text{GRICompliance}_{it} + \delta_2 \text{AQ}_{it} + \delta_3 \text{GRICompliance} \times \text{AQ}_{it} \\
& + \delta_4 \text{BSize}_{it} + \delta_5 \text{Bactivity}_{it} + \delta_6 \text{CEOduality}_{it} + \delta_7 \text{Bind}_{it} \\
& + \delta_8 \text{WoB}_{it} + \delta_9 \text{CSRCom}_{it} + \delta_{10} \text{Analysts}_{it} + \delta_{11} \text{InstInv}_{it} \\
& + \delta_{12} \text{Size}_{it} + \delta_{13} \text{Leverage}_{it} + \delta_{14} \text{Advert\_intensity}_{it} \\
& + \delta_{15} \text{MtoB}_{it} + \delta_{16} \text{ROA}_{it} + \delta_{17} \text{NCSRPI}_{it} + \delta_{18} \text{Country}_{i} \\
& + \delta_{19} \text{Industry}_{i} + \delta_{20} \text{Year}_{t} + \mu_{it} + \eta_{i}
\end{aligned}
$$

(Model 2)

For assurance quality, we used content analysis to create an index based on 19 items associated with the report format, assurance procedures and opinions and recommendations (Perego, 2009), whose aggregation allowed us to define the variable AQ, with a range of possible scores from 0 to 27 (Perego & Kolk, 2012). Table 4 reflects the results of an additional analysis in the first column. The results show that a higher level of GRI compliance negatively affects CSR decoupling (i.e., −0.00219, at a confidence level of 90%). Surprisingly, the quality of the assurance is not statistically significant nor is the interaction between both information policies.

In order to further understand the relationship between assurance and CSR decoupling, Model 3, we analysed the CSR decoupling
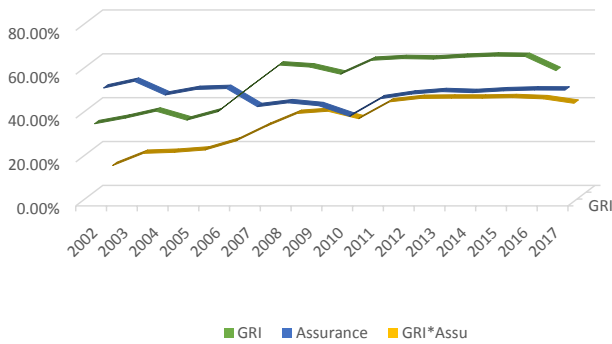
FIGURE 1 Dynamic evolution of global reporting initiative compliance and corporate social responsibility assurance [Colour figure can be viewed at wileyonlinelibrary.com]

relationship with various characteristics of assurance providers, as studies have shown that assurance services vary significantly amongst providers (Perego & Kolk, 2012). Studies show that not all assurance providers have the same level of CSR-related knowledge. This leads accounting firms to take a more "orthodox" and prudent perspective (Ball et al., 2000).

$$
\begin{aligned}
\text{CSR\_Gap}_{it} = {}& \delta_1 \text{GRICompliance}_{it} + \delta_2 \text{AQ}_{it} + \delta_3 \text{Accountant/Tenure/} \\
& \text{Specialist}_{it} + \delta_4 \text{Accountant/Tenure/Specialist} \times \text{AQ}_{it} \\
& + \delta_5 \text{BSize}_{it} + \delta_6 \text{BActivity}_{it} + \delta_7 \text{CEOduality}_{it} + \delta_8 \text{BInd}_{it} \\
& + \delta_9 \text{WoB}_{it} + \delta_{10} \text{CSRCom}_{it} + \delta_{11} \text{Analysts}_{it} + \delta_{12} \text{InstInv}_{it} \\
& + \delta_{13} \text{Size}_{it} + \delta_{14} \text{Leverage}_{it} + \delta_{15} \text{Advert\_intensity}_{it} \\
& + \delta_{16} \text{MtoB}_{it} + \delta_{17} \text{ROA}_{it} + \delta_{18} \text{NCSRPI}_{it} + \delta_{19} Country_i \\
& + \delta_{20} Industry_i + \delta_{21} Year_t + \mu_{it} + \eta_i
\end{aligned}
$$

(Model 3)

We estimate three new equations to reflect interactions between assurance quality and the characteristics of three assurance providers (Martínez-Ferrero et al., 2018). The Accountant variable corresponds to a dummy that takes the value 1 if the assurance provider is an auditing firm and 0 otherwise. The assurance provider's experience (Tenure) is measured by the years of the contractual relationship. Finally, the assurance provider's specialisation, Specialisation, is identified by the assurance provider's market share for an industry, computed as the percentage of sector sales that corresponds to the assurance provider by year and country (Balsam et al., 2003).

The results of our analysis concerning the characteristics of assurers and CSR decoupling in Table 4 show that the accountant is negatively associated with CSR decoupling. This finding is in line with Ballou et al. (2018), who observed that accounting firms are more meticulous in detecting discrepancies in disclosure. The assurance provider's experience has a similar effect (coeff. = −0.00120), at a confidence level of 95%. The assurance provider's experience is also reinforced when the assurance service is performed according to the recommendations of AccountAbility and the Federation of European Accountants (AQ × Tenure: coeff = −0.0116 *p-value = 0.081). The assurance provider's sector specialisation is only significant when the quality level of the assurance service follows the

mentioned standards (AQ × Specialist: coeff. = −0.0133; p-value = 0.086). These findings are in line with those obtained by Martínez-Ferrero and García-Sánchez (2018) regarding the positive effect of these assurance provider characteristics on the likelihood of detecting omissions and material errors.

The complementary results show that CSR assurance is an intricate process due to the diversity of matters that characterise a company's sustainability agenda as well as the qualitative and quantitative nature of CSR information (Hasan et al., 2005). Consequently, as Ruhnke and Lubitzsch (2010) pointed out, professional judgement is required to set the criteria used to assess CSR information. An assurance provider must therefore not only have an exhaustive knowledge of the company's sustainability agenda but also of the procedures to be applied in order to evaluate the information disclosed in the CSR report (Cohen & Simnett, 2015). Although prior research has hinted that sustainability consulting/advisory firms possess greater knowledge of sustainability issues, financial auditors possess knowledge of techniques that can be applied in the assurance process (Cohen & Simnett, 2015), correcting decoupling practices. This may be because they tend to be more prudent and "orthodox" than non-auditors, and, consequently, provide a low level of assurance (O'Dwyer & Owen, 2005; Perego, 2009) but higher levels of assurance quality, due to the use of stricter criteria and procedures.

As Park and Brorson (2005) noted, since CSR reports are related to the characteristics of the industry and the firm, the assurance provider's specialisation and experience may affect its ability. An assurance provider's experience, drawn from a prolonged relationship with the client, can thus improve the understanding of the client's sustainability agenda, insights which are even more effective when the work performed complies with international assurance standards, correcting decoupling practises. The assurance provider's experience reinforces their ability to identify irregularities and selective disclosure. These ideas can be applied to the assurance provider's sectorial specialisation, which implies a greater knowledge of the sustainability practices that characterise the industry in which the firm operates (Balsam et al., 2003).

Overall, these findings indicate that although assurance quality does not correct CSR decoupling, some characteristics of the assurance provider (i.e., whether the assurance provider is a financial auditor and the assurance provider's experience and specialisation) do negatively affect decoupling practices. These findings are novel and provide interesting ideas about the conditions under which an assurance service complies with its role in improving the reliability and relevance of CSR reports.

6 | ROBUSTNESS ANALYSIS

To guarantee the robustness of the results,[1] we re-estimated several models with different dependent and independent variables as well as sample specifications. More specifically, we adopted an alternative measure in relation to our dependent variable, CSR_Gap, following the approach of García-Sánchez et al. (2021a). We considered the score of the different CSR dimensions for performance

TABLE 4 Complementary models

	Model 2	Model 3 (Accountant)	Model 3 (Tenure)	Model 3 (Specialist)
GRICompliance	−0.00219* (0.00122)	−0.00166** (0.000728)	−0.00227*** (0.000811)	−0.00128* (0.000724)
AQ	−0.000211 (0.000146)	−7.54e-05 (0.000283)	−0.000257 (0.00156)	−0.000227 (0.000305)
GRICompliance × AQ	7.90e-05 (6.47e-05)			
Accountant		−0.0137* (0.00729)		
AQ × Accountant		0.0136 (0.0105)		
Tenure			−0.00120** (0.000488)	
AQ × Tenure			−0.0116* (0.00661)	
Specialist				0.00526 (0.00768)
AQ × Specialist				−0.0133* (0.00771)
BSize	7.17e-05 (0.000114)	6.78e-05 (0.000115)	1.45e-05 (0.000121)	4.63e-05 (0.000115)
BActivity	−2.53e-05 (4.22e-05)	−2.94e-05 (4.32e-05)	1.54e-05 (4.66e-05)	−1.63e-05 (4.35e-05)
CEODuality	−0.00176** (0.000809)	−0.00221*** (0.000827)	−0.00162* (0.000833)	−0.00186** (0.000820)
BIndep	8.03e-06 (1.59e-05)	1.07e-05 (1.60e-05)	−6.42e-06 (1.75e-05)	9.96e-06 (1.62e-05)
WoB	−5.56e-05* (3.09e-05)	−6.25e-05* (3.19e-05)	−6.57e-05** (3.28e-05)	−6.27e-05** (3.14e-05)
CSRCom	0.00104 (0.000919)	0.000841 (0.000931)	0.00133 (0.000960)	0.000488 (0.000950)
Analysts	−0.000151 (9.44e-05)	−0.000128 (9.55e-05)	−0.000137 (9.87e-05)	−0.000149 (9.56e-05)
InstInv	−5.04e-05 (5.31e-05)	−3.13e-05 (5.45e-05)	−5.82e-05 (5.61e-05)	−2.24e-05 (5.50e-05)
Size	−0.00291* (0.00175)	−0.00226 (0.00179)	−2.22e-05 (0.00196)	−0.000750 (0.00185)
Leverage	−5.90e-05 (6.74e-05)	−4.39e-05 (6.91e-05)	−2.36e-05 (7.71e-05)	−7.12e-05 (6.96e-05)
Adver_Intensity	1.25e-07 (1.09e-06)	5.80e-08 (1.09e-06)	5.24e-07 (1.13e-06)	−2.80e-08 (1.10e-06)
MtoB	−0.00140 (0.00547)	−0.00164 (0.00549)	0.00255 (0.00566)	−0.00144 (0.00553)
ROA	−0.000622 (0.000920)	−0.000389 (0.000961)	−0.000787 (0.00108)	−0.000274 (0.000957)
NCSRI	8.06e-05 (0.000401)	0.000134 (0.000402)	0.000178 (0.000424)	1.11e-05 (0.000399)
Constant	0.0750** (0.0323)	0.0628* (0.0328)	0.0208 (0.0367)	0.0413 (0.0341)
R^2	6.19%	18.94%	37.56%	18.37%
F	1.48*	1.46**	1.50***	1.40**

Note: VIF value: GRICompliance 1.10 AQ 1.85 GRICompliance × AQ 3.59 Bsize 1.35 BActivity 1.26 CEODuality 1.16 BIndep 1.32 WoB 1.16 CSRCom 1.22 Analysts 1.21 InstInv 1.17 Size 1.25 Leverage 1.01 Adver_Intensity 1.06 MtoB 2.23 ROA 2.08 NCSRI 1.20. $n = 3,730$ firm-year observations. Significance levels: *$p < .05$. **$p < .01$. ***$p < .001$. Coefficient and standard errors (in parentheses) are reported.

and disclosure, however, because we used an international database and calculated the decoupling, obtaining the difference between external and internal dimensions of CSR (see Annex 1). The first column of Table 5 (Panel A for the initial sample and Panel B for AQ sub-sample) demonstrate the similar results that we obtained in the previous estimations for GRICompliance, but a different effect for DGRI, which has a positive effect on the new NewCSR_Gap. This could suggest that using a more complex measure of decoupling allows the identification of more firms with lower underperformance than in the previous approach (58.86% vs. 41.14%), and the adoption of the GRI standards without taking into account that the level of adoption is not sufficient to avoid the decoupling practices.

Although including the CSR_Gap variable in absolute form, as used by Hawn and Ioannou (2016), allows us to measure the overall CSR decoupling practices, in our opinion, there are limitations to using this measure in our analysis, as in a case of underperformance where we are using an absolute value, the negative values that represent underperformance will be transformed into positive values

and would have the same sign that the initial positive values associated to underreporting. We therefore used a signed measure of CSR decoupling.

The results obtained, in the second column, show that the variables DGRI and GRICompliance have a negative effect, although it is not relevant from an economic point of view. The loss of significance with respect to the initial models would, therefore, be a consequence of considering a global variable that measures the level of decoupling without differentiating between the two typologies of practices that can be carried out (i.e., underperformance and under-disclosure), which have a very different conception and effect in decision-making processes. Underperformance practices are greenwashing decisions oriented to manipulating the users' opinions of poor CSR performance, whereas, in contrast, underreporting means that firms do not reveal some of their sustainable practices in order to manage the conflicting demands of different stakeholders (Crilly et al., 2012).

According to the initial measure of CSR_Gap, we identify (i) companies that have chosen to overstate their CSR performance in their

TABLE 5 Robust results I

Panel A. Total sample (n = 15,219 firm-year observations)

	Model 1	Model 1	Model 1	Model 1	Model 1	Model 1
	NewCSR_Gap	AbsCSR_Gap	Underperformance	Underdisclose	non-US	US
DGRI	0.00118* (0.000634)	-0.0115 (0.0323)	-0.000757** (0.000333)	-0.00217 (0.00142)	-0.00229*** (0.000871)	-0.00154 (0.00173)
DAssurance	-0.000156 (0.00102)	0.0728 (0.0517)	-0.000297 (0.000518)	0.00306 (0.00279)	-0.000859 (0.00131)	0.00122 (0.00344)
DGRI × DAssurance	0.000180 (0.00117)	-0.0609 (0.0595)	4.85e-05 (0.000597)	-0.000384 (0.00308)	0.00222 (0.00153)	-0.000768 (0.00380)
BSize	0.000240*** (8.08e-05)	-0.0107* (0.00410)	-7.93e-05* (4.39e-05)	-0.000181 (0.000152)	-0.000290*** (0.000108)	9.40e-05 (0.000241)
BActivity	1.21e-05 (2.55e-05)	0.000876 (0.00129)	1.63e-06 (1.37e-05)	-5.60e-06 (4.77e-05)	3.77e-05 (3.59e-05)	-4.09e-05 (6.72e-05)
CEODuality	-0.000432 (0.000532)	0.0327 (0.0270)	-9.19e-05 (0.000284)	0.00100 (0.00108)	0.000925 (0.000707)	0.000253 (0.00168)
BIndep	1.99e-05* (1.07e-05)	-0.00144*** (0.000542)	-9.70e-06* (5.82e-06)	-4.09e-05** (2.08e-05)	-1.93e-05 (1.39e-05)	-3.37e-05 (3.68e-05)
WoB	-9.28e-05*** (2.29e-05)	0.00353*** (0.00116)	2.26e-05* (1.22e-05)	0.000145*** (5.16e-05)	0.000120*** (2.97e-05)	0.000246*** (7.52e-05)
CSRCom	-0.000377 (0.000579)	-0.000919 (0.0295)	0.000251 (0.000303)	0.000515 (0.00146)	4.94e-05 (0.000778)	0.00152 (0.00174)
Analysts	0.000154** (6.30e-05)	-0.0179*** (0.00322)	5.43e-05 (3.47e-05)	-0.000254** (0.000122)	-0.000423*** (8.47e-05)	-0.000276 (0.000184)
InstInv	-4.15e-05* (2.34e-05)	0.00231* (0.00122)	8.62e-06 (1.22e-05)	4.06e-05 (6.45e-05)	4.14e-05 (3.00e-05)	8.40e-05 (8.06e-05)
Size	-0.00565*** (0.000777)	0.293*** (0.0420)	0.00167* (0.000427)	0.00285 (0.00210)	0.00489*** (0.00105)	0.0126*** (0.00225)
Leverage	-1.26e-07 (2.48e-07)	5.70e-06 (1.24e-05)	1.16e-07 (1.37e-07)	5.05e-08 (5.08e-07)	1.37e-06 (9.64e-07)	2.45e-07 (3.81e-07)
Adver_Intensity	-0.000175 (0.000117)	0.00423 (0.00603)	2.11e-05 (6.70e-05)	0.000245 (0.000209)	0.000147 (0.000137)	-0.00157 (0.00252)
MtoB	4.21e-06 (0.000354)	0.0226 (0.0196)	0.000104 (0.000181)	0.000307** (0.00137)	-0.000256 (0.000483)	0.00419*** (0.00104)
ROA	-7.34e-06 (2.28e-05)	0.000867 (0.00147)	-1.23e-06 (1.18e-05)	-1.03e-05 (9.99e-05)	-1.81e-05 (2.86e-05)	-3.39e-05 (9.74e-05)
Crisis	0.000573 (0.000430)	-0.0271 (0.0219)	-0.000239 (0.000221)	-0.000253 (0.000943)	-0.00137* (0.000584)	-0.000482 (0.00120)
NCSRI	4.79e-05 (0.000108)	-0.00139 (0.00539)	-3.71e-05 (5.22e-05)	0.000399 (0.000516)	1.43e-05 (0.000167)	
Constant	0.101*** (0.0131)	-4.564*** (0.709)	-0.0441*** (0.00701)	-0.0377 (0.0386)	-0.0885** (0.0179)	-0.218*** (0.0370)
R^2	17.65%	5.2%	14.84%	11.63%	14.95%	11.56%
F	6.62***	6.68***	2.83***	2.06***	5.99***	4.27***

Panel B. AQ sub-sample (n = 3,730 firm-year observations)

	Model 2	Model 2	Model 2	Model 2	Model 2	Model 2
	NewCSR_Gap	AbsCSR_Gap	Underperformance	Underdisclose	non-US	US
GRICompliance	-0.00219* (0.00122)	-0.0321 (0.0515)	-0.00253 (0.00396)	0.000681 (0.00110)	-0.000287 (0.00176)	-0.0140* (0.00727)
AQ	-0.000211 (0.000146)	-0.000908 (0.00613)	-0.000225 (0.000461)	4.77e-05 (0.000130)	0.000114 (0.000212)	-0.00236** (0.000951)
GRICompliance × AQ	7.90e-05 (6.47e-05)	0.000875 (0.00272)	0.000117 (0.000189)	7.93e-06 (5.88e-05)	-2.13e-05 (9.30e-05)	0.000623 (0.000539)

(Continues)

TABLE 5 (Continued)

Panel B. AQ sub-sample (n = 3,730 firm-year observations)

	Model 2	Model 2	Model 2	Model 2	Model 2	Model 2
	NewCSR_Gap	AbsCSR_Gap	Underperformance	Underdisclose	non-US	US
BSize	7.17e-05 (0.000114)	-0.00524 (0.00482)	-0.000292 (0.000373)	0.000125 (0.000106)	-0.000137 (0.000162)	-0.000356 (0.000816)
BActivity	-2.53e-05 (4.22e-05)	-0.00111 (0.00177)	-4.67e-05 (9.19e-05)	-4.32e-05 (4.38e-05)	-2.91e-05 (6.07e-05)	8.71e-06 (0.000248)
CEODuality	-0.00176** (0.000809)	0.0418 (0.0340)	0.00171 (0.00279)	0.000233 (0.000714)	0.00248** (0.00116)	0.000440 (0.00634)
BIndep	8.03e-06 (1.59e-05)	-0.000953 (0.000671)	-7.08e-05 (4.40e-05)	-3.16e-05** (1.57e-05)	-4.50e-05** (2.18e-05)	-0.000339*** (0.000152)
WoB	-5.56e-05* (3.09e-05)	0.00304** (0.00130)	0.000293** (0.000113)	3.21e-05 (2.72e-05)	0.000108** (4.26e-05)	0.000318 (0.000272)
CSRCom	0.00104 (0.000919)	-0.0994** (0.0388)	-0.00970*** (0.00332)	-0.00222*** (0.000857)	-0.00127 (0.00127)	-0.0119 (0.00755)
Analysts	-0.000151 (9.44e-05)	0.00699* (0.00402)	0.000296 (0.000263)	5.40e-05 (8.67e-05)	0.000146 (0.000142)	-2.85e-05 (0.000449)
InstInv	-5.04e-05 (5.31e-05)	-0.000409 (0.00230)	0.000101 (0.000150)	5.23e-05 (4.82e-05)	3.75e-05 (7.51e-05)	0.000748* (0.000416)
Size	-0.00291* (0.00175)	0.151** (0.0735)	-0.00541 (0.00836)	-0.000765 (0.00147)	0.00342 (0.00247)	-0.00979 (0.0125)
Leverage	1.25e-07 (1.09e-06)	-7.38e-06 (4.59e-05)	-1.76e-07 (1.63e-06)	1.12e-07 (1.30e-06)	-3.02e-07 (1.86e-06)	1.43e-07 (3.43e-06)
Adver_Intensity	-0.00140 (0.00547)	-0.0194 (0.230)	-0.0145 (0.0210)	0.00186 (0.00455)	-0.00223 (0.00740)	-0.0540 (0.0765)
MtoB	-0.000622 (0.000920)	0.0699* (0.0387)	0.00213 (0.00419)	0.000286 (0.000762)	-0.000384 (0.00137)	0.00953** (0.00449)
ROA	-5.90e-05 (6.74e-05)	0.00283 (0.00283)	-0.000913*** (0.000276)	-4.51e-05 (5.67e-05)	6.19e-05 (9.84e-05)	0.000377 (0.000521)
NCSRI	8.06e-05 (0.000401)	-0.00360 (0.0169)	0.000307 (0.000773)	0.000129 (0.000392)	-2.18e-05 (0.000536)	
Constant	0.0750** (0.0323)	-2.558 -1358	0.127 (0.156)	-0.00264 (0.0271)	-0.0683 (0.0463)	0.221 (0.217)
R^2	6.19	8.20%	6.35%	47.83%	7.25	59.54
F	1.48*	1.99***	1.07	3.18***	1.55*	2.58***

Note: Significance levels: *p < .05. **p < .01. ***p < .001. Coefficient and standard errors (in parentheses) are reported.

disclosure, which we have classified as underperformance and (ii) firms with good performance but which have decided not to communicate all their CSR actions and projects or to under-disclose. We created two sub-samples to determine the effect that the adoption of the GRI standards and the hiring and quality of the assurance service has on these two business strategies, considered individually.

The results, reflected in the third and fourth columns, allow us to observe that the effect of the adoption of the GRI standards makes it possible to reduce underperformance practices but has no effect on underdisclosure strategies. Firms that adopt silent practices may be omitting certain information so that their stakeholders do not create expectations that companies cannot meet later, and they cannot be accused of hypocrisy (Parra-Domínguez et al., 2021). This does not mean that the information they provide is not useful for decision-making by different interest groups (García-Sánchez, Raimo, et al., 2021). Although the GRICompliance variable in the sub-sample shows similar effects, these are not significant from an econometric point of view, possibly because there are few firms in the underperformance sample.

Thirdly, the use of an international sample allows us to carry out additional analyses aimed at detecting possible differences in the effect that the adoption of the GRI guidelines and assurance may have on decoupling in specific countries. Although numerous previous studies have analysed the reasons underlying the adoption of these practices in U.S. companies (e.g., Birkey et al., 2016; Casey & Grenier, 2015; Cho et al., 2014; Christensen, 2016), international comparisons show that fewer North American firms prepare their CSR reports according to the GRI recommendations and hire an assurance service compared to their counterparts in European countries (Perego & Kolk, 2012; Simnett et al., 2009). These differences may be a consequence of the concerns and preferences regarding CSR in the different countries, as U.S. firms seem less eager to act responsibly and use different strategies to convey an idealised image (Maignan & Ralston, 2002). These authors showed that one of the main reasons that U.S. companies become involved in CSR is to obtain higher performance linked to these initiatives, which can lead to adopting instrumental or symbolic actions in the absence of such a relationship, affecting communication with stakeholders through decoupling practices.

The findings demonstrate that adopting the GRI guidelines has no effect in the U.S. sample but has corrected the gap in non-U.S. companies. On the other hand, GRICompliance has a non-significant effect in the non-U.S. sample, while we observe that both this variable, as well as assurance quality, reduce the CSR_gap. Considered together, these results for the United States versus non-U.S. companies demonstrate that while the adoption of any level of GRI standard reduces the decoupling practices for non-U.S. firms, underperformance is only corrected in U.S. firms by the adoption of a high level of GRI guidelines. It is also necessary to take into account that we reduced the initial sample to firms that all disclose according to different levels of GRI adoptions, a criterion that could explain the non-significant results of GRICompliance for the non-U.S. sample and the significant results for the U.S. sample.

These effects could be because the U.S. institutional framework does not exert strong pressure on companies, as they voluntarily adopt these practices, and are focussed on improving their corporative information systems, in the face of more marketing than adopted by other companies. The results could suggest that although there are recommendations for hiring an assurance service in several countries, this practice could be a marketing tool due to its unregulated nature, which allows managers to use this service with a broader scope (Birkey et al., 2016).

Finally, there might be some unobservable factors that affect GRI adherence, assurance, and CSR decoupling, which might cause endogeneity. In order to solve this issue, some studies (e.g., Michelon et al., 2015) conduct additional analyses, such as a two-stage regression, or use instrumental variables, however, the nature of the variables—dichotomy, ordinal and numeric—does not allow us to use these approaches in this research. Accordingly, we use a similar procedure, based on three stages, in which censored logistic estimations or ordinal regressions are used depending on the nature of the dependent variable. Each regression residual is predicted to include an independent variable in the final model. The results of Panels A (initial sample) and B (AQ sub-sample) in Table 6 support the evidence of the previous analyses.

7 | CONCLUSIONS

When the credibility of CSR reports is questioned, they lose their value for stakeholders (Casey & Grenier, 2015; García-Sánchez, Raimo, et al., 2021; Talbot & Boiral, 2018), and this has prompted the adoption of credibility enhancement mechanisms by companies (Clarkson et al., 2019), such as adherence to the GRI reporting guidelines and the assurance of CSR reports, the use of which has become widespread in recent years, and has become an institutionalised business practice (Ballou et al., 2018; Brown et al., 2009). The "inflationary dynamics" where the more companies that publish CSR reports, the greater the number of such reports that are elaborated conforming to the GRI guidelines and are assured by independent third parties, has raised doubts about whether such initiatives are defensive tactics used to manage organisational legitimacy, or are in fact essential accountability tools. It should be noted that the symbolic use of the GRI guidelines and/or CSR assurance in CSR reporting has ethical implications because it creates a false image of transparency and reporting quality with the aim of inspiring confidence in stakeholders. In contrast, undesired behaviour and practices with a detrimental effect on firm value, such as CSR decoupling, persist.

This study addresses the dilemma involving the symbolic versus substantive use of CSR assurance and the GRI reporting framework by analysing its effect on CSR decoupling based on legitimacy theory. The results indicate that the elaboration of CSR reports according to the GRI guidelines causes decoupling practices to be reduced, meaning that a firm's CSR disclosure is consistent with its CSR performance. This suggests that the analysed companies approach CSR reporting in a substantive way, and contradicts arguments about

TABLE 6 Robust analysis II

Panel A. Total sample (n = 15,219 firm-year observations)

	Assurance	DGRI	Model 1
DGRI (residuals)			−0.0171** (0.00854)
DAssurance (residuals)			−0.0109* (0.00582)
DGRI × DAssurance (residuals)			0.0513 (0.0438)
DGRI	2.153*** (0.179)		
BSize	0.0153 (0.0277)	−0.0342 (0.0257)	0.000316** (0.000131)
BActivity	0.00106 (0.00830)	0.00938 (0.00764)	2.58e-05 (3.82e-05)
CEODuality	−0.166 (0.171)	−0.297* (0.162)	1.42e-05 (0.000815)
BIndep	0.00236 (0.00340)	−0.00316 (0.00312)	5.05e-05*** (1.66e-05)
WoB	−0.000393 (0.00780)	0.00658 (0.00683)	−0.000133*** (3.61e-05)
CSRCom	0.272 (0.186)	0.136 (0.161)	−0.000633 (0.000962)
Analysts	−0.00724 (0.0222)	0.0443** (0.0193)	0.000237** (0.000101)
InstInv	−0.00229 (0.00783)	−0.00372 (0.00674)	−6.03e-05 (4.19e-05)
Size	1.003*** (0.303)	0.0502 (0.207)	−0.00563*** (0.00132)
Leverage	3.16e-05 (6.15e-05)	2.19e-05 (6.34e-05)	−3.58e-07 (3.20e-07)
Adver_Intensity	0.251 (0.187)	−0.0895 (0.110)	−0.000369* (0.000210)
MtoB	0.235* (0.130)	0.00936 (0.0185)	0.000536 (0.000557)
ROA	−0.0267** (0.0109)	0.00222 (0.00562)	1.31e-06 (3.71e-05)
Crisis	−0.336** (0.158)	−0.143 (0.144)	−0.00122 (0.000948)
NCSRI	0.0599 (0.0532)	0.0119 (0.0351)	8.81e-05 (0.000131)
Constant			0.101*** (0.0222)
Log-likelihood/R^2	−478.89309	−579.62301	15.27
χ^2/F	246.85***	18.33*	3.68***

Panel B. AQ sub-sample (n = 3,730 firm-year observations)

	AQ	GRICompliance	Model 2
GRICompliance (residuals)			−0.0136** (0.00661)
AQ (residuals)			0.000839 (0.00100)
GRICompliance × AQ (residuals)			0.00170 (0.00892)
GRICompliance	0.0823 (0.443)		
BSize	0.111 (0.0879)	0.0176 (0.0127)	−0.000156 (0.000151)
BActivity	0.0307 (0.0314)	−6.92e-05 (0.00461)	−7.53e-05 (4.67e-05)
CEODuality	−0.950 (0.600)	0.0906 (0.0860)	
BIndep	−0.00519 (0.0113)	−0.00445*** (0.00160)	1.80e-05 (1.63e-05)
WoB	0.0176 (0.0244)	−0.00638* (0.00363)	−8.31e-05*** (3.18e-05)
CSRCom	0.470 (0.664)	0.133 (0.0965)	0.000328 (0.000998)
Analysts	0.0272 (0.0336)	0.0192*** (0.00428)	−0.000218** (9.73e-05)
InstInv	0.0174 (0.0133)	0.00501*** (0.00165)	−7.89e-05 (5.47e-05)
Size	0.260* (0.141)	−0.0457*** (0.0176)	−0.00289 (0.00177)
Leverage	−0.000999 (0.00111)	−9.97e-05 (0.000180)	1.81e-06 (1.35e-06)
Adver_Intensity	−0.0590* (0.0334)	−0.738*** (0.281)	−0.00224 (0.00545)
MtoB	0.0497 (0.379)	−0.130** (0.0536)	−0.000699 (0.000914)
ROA	−0.0370 (0.0518)	0.0127 (0.00809)	2.09e-05 (7.40e-05)
NCSRI	0.107*** (0.0398)	0.00116 (0.00483)	−0.000126 (0.000410)
Constant	5.087–4.177		0.0810** (0.0335)
Log-likelihood/R^2	−2911.0513	−798.14095	6.50
χ^2/F	28.58**	71.70***	1.56*

Note: Significance levels: *$p < .05$. **$p < .01$. ***$p < .001$. Coefficient and standard errors (in parentheses) are reported.

the symbolic use of the GRI guidelines for reputation enhancement purposes (Brown et al., 2009) and for obtaining legitimacy (Hahn & Lülfs, 2014; Vigneau et al., 2015). However, although CSR decoupling was negatively associated with CSR assurance, it is not significant from an econometric viewpoint, indicating that hiring CSR assurance services does not have a corrective effect on the CSR decoupling practices carried out by the management. The lack of a significant association between CSR assurance and CSR decoupling supports arguments that assurance may have been used to enhance reputation (Birkey et al., 2016) rather than reducing information asymmetry and CSR decoupling and suggests that assurance is used symbolically in CSR reporting (Cho et al., 2014).

Furthermore, although assurance quality does not correct CSR decoupling, the characteristics of some assurance providers (i.e., if the assurance provider is a financial auditor, the assurance provider's experience and specialisation) negatively affect decoupling practises. This finding supports Adam's (2004) contention that CSR assurance should "be conducted by appropriately qualified people who both understand the audit process and accept the ethical, social and environmental responsibilities of companies" (p. 751). It should be noted that analysing the effect of the conditions under which the assurance service is provided, and the characteristics of its output (i.e., assurance quality and assurance provider's characteristics), on the role played by assurance in relation to CSR decoupling is novel and is an important contribution of this research. We have also observed that the effect of adopting the GRI guidelines is different for U.S. firms, which only suppose gap corrections when the level of adoption is higher.

This study adds to the literature on symbolic management. The debate between substantive versus symbolic management in the field of CSR has been a recurring research topic in recent years (Behnam & MacLean, 2011; Marquis et al., 2016). Although some authors regard CSR assurance and GRI adoption as a credible signal of a firm's commitment to CSR and transparency (Clarkson et al., 2019; Lock & Seele, 2016), other researchers have wondered about their ability to actually improve CSR reporting quality and transparency (Adams & Evans, 2004; Behnam & MacLean, 2011; Hahn & Lülfs, 2014; Michelon et al., 2015; Talbot & Boiral, 2018), considering them "a skilfully controlled public relations exercise" (Owen et al., 2000, p. 82). Our research questions this critical view by providing empirical evidence that both the use of the GRI reporting framework and some assurance provider characteristics are negatively associated with CSR decoupling, suggesting that they may be part of a substantive approach whereby companies actually improve CSR reporting quality and transparency.

To the extent that this study provides further insights into the way firms manage stakeholder pressures by using symbolic and/or substantive signals, the results have several implications for businesses, assurance providers, stakeholders and regulators. Firms should understand the difference that the quality of adopting the GRI guidelines makes in the control of decoupling practices and the disclosure of more relevant and accurate CSR information. They should know what assurance provider characteristics (accounting training, specialisation

and experience) generate benefits associated with the reduction of asymmetric information due to decoupling practices. For assurance providers, the results provide information on the attributes they must possess to increase the confidence and credibility of the information contained in CSR reports and reduce the assurance risk. Specifically, the results show that assurance providers must develop skills, competencies and capacities in the assurance process to improve the confidence that CSR report users have in the service.

Our empirical evidence is also useful for investors and shareholders who can understand the adoption of standards in the preparation and assurance of sustainability reports, and how the assurance provider's characteristics (accounting training, experience and specialisation) affect information asymmetries, correcting decoupling practices. Investors should be conscious that the utilisation of standards reinforces the quality of sustainability reports, and, consequently, can be a signal that will affect future investment decisions. CSR assurance can thus assist investors in their decisions by indicating management's commitment to credible CSR disclosure. The findings are interesting for other stakeholders, because the absence of generalisable standards and regulations throws into question the credibility of CSR assurance (Perego & Kolk, 2012).

The results may be revealing in relation to regulators and policy makers, in view of the high demand for assurance services. Although standard setters and regulators often assume that CSR assurance is linked to increased transparency and higher quality CSR reporting, thereby improving disclosure credibility (Cho et al., 2014; Michelon et al., 2015), the findings of this research indicate that assurance does not always fit this role, but can be used as a tool to legitimise the quality of CSR disclosure. Understanding the factors that affect assurance quality, as well as its effects in the capital market, can allow regulators to identify weaknesses in relation to the assurance service. The standards followed to date depend on the provider. Our results indicate that assurance providers need to comply with high-quality standards to strengthen their professional ability to produce better assurance statements, with the economic consequences that this involves. Regulators must formulate and put into effect assurance standards common to various providers, which guarantee the credibility, trust and consistency of the service.

All these aspects indirectly favour superior social welfare, bringing about increased transparency and business performance. Indeed, higher quality assurance will lead to the capital markets being better run but also have an effect on stakeholder decision-making processes, as they will obtain more trustworthy information which favours the use of more sustainable processes, leading to firms acting more responsibly as regards the environment and society.

Finally, it is necessary to note that the results are subject to several limitations, especially those related to the potential existence of unobservable factors that affect GRI adherence, assurance and CSR decoupling, which might cause endogeneity problems. Although we have included several robust models and obtained similar results, future studies could analyse other issues that might determine the relationship between these corporate decisions and the reasons behind them.

CONFLICT OF INTEREST

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

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ENDNOTE

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ANNEX 1

CSR DECOUPLING COMPONENTS AND PROCEDURE

Internal

1. Percentage of non-executive board members on the audit committee as stipulated by the company.

2. Percentage of non-executive board members on the nomination committee.

3. Does the company have a policy to support the skills training or career development of its employees?

4. Does the company have a policy to improve employee health & safety within the company and its supply chain?

5. Does the company use environmental criteria (ISO 14,000, energy consumption, etc.) in the selection process of its suppliers or sourcing partners?

6. Does the company make use of renewable energy?

7. Does the company have a policy to improve its energy efficiency?

8. Does the company have a policy to improve its water efficiency?

9. Does the company develop products or technologies that are used for water treatment, purification, or that improve water-use efficiency?

10. Does the company have a policy to reduce emissions?

11. Does the company have a policy for ensuring equal treatment of minority shareholders, facilitating shareholder engagement, or limiting the use of anti-takeover devices?

12. Does the company's statutes or by-laws require that stock options be only granted with a vote at a shareholder meeting?

13. Does the company have a policy for performance-oriented compensation that attracts and retains the senior executives and board members?

14. Does the company have a policy for maintaining a well-balanced membership of the board?

15. Does the company have an audit committee with at least three members and at least one "financial expert" within the meaning of Sarbanes-Oxley?

16. Does the company have a policy to guarantee the freedom of association universally applied independent of local laws? AND Does the company have a policy for the exclusion of child, forced, or compulsory labor?

17. Does the company have a competitive employee benefits policy or ensure good employee relations within its supply chain? AND Does the company have a policy for maintaining long-term employment growth and stability?

18. Does the company have a work–life balance policy? AND Does the company have a diversity and equal opportunity policy?

External

1. Does the company reportedly develop or market products and services that foster specific health and safety benefits for the consumers (healthy, organic or nutritional food, safe cars, etc.)?

2. Does the company claim to favor promotion from within?

3. Does the company report on policies or programs on HIV/AIDS for the workplace or beyond?

4. Does the company report on crisis management systems or reputation disaster recovery plans to reduce or minimize the effects of reputation disasters?

5. Does the company report about environmentally friendly or green sites or offices?

6. Does the company report on initiatives to reduce, reuse, substitute, or phase out toxic chemicals or substances?

7. Does the company report on initiatives to reduce the environmental impact of transportation of its products or its staff?

8. Does the company show an initiative to reduce, reuse, recycle, substitute, phase out, or compensate CO_2 equivalents in the production process?

9. Does the company report on initiatives to recycle, reduce, reuse, substitute, treat, or phase out total waste?

10. Does the company report on initiatives to reduce, substitute, or phase out volatile organic compounds (VOC)?

11. Does the company report on initiatives to reduce, reuse, recycle, substitute, or phase out SOx (sulphur oxides) or NOx (nitrogen oxides) emissions?

12. Does the company report on initiatives to recycle, reduce, reuse, or substitute ozone-depleting (CFC-11 equivalents, chlorofluorocarbon) substances?

13. Does the company report or show to be ready to end a partnership with a sourcing partner if human rights criteria are not met?

14. Does the company report or show to use human rights criteria in the selection or monitoring process of its suppliers or sourcing partners?

15. Does the company claim to provide its employees with a pension fund, health care, or other insurance?

16. Does the company claim to provide a bonus plan to most employees?

17. Does the company claim to provide daycare services for its employees?

18. Does the company have a policy to strive to be a good corporate citizen or endorse the Global Sullivan Principles? AND Does the company have a policy to respect business ethics or has the company signed the UN Global Compact or does it follow the OECD guidelines?

19. Does the company claim to provide flexible working hours or working hours that promote a work–life balance?

20. Does the company claim to provide regular staff and business management training for its managers?

Procedure for CSR_Gap

CSR_Gap measure adopted of the procedure of Hawn and Ioannou (2016)

In order to construct the External variable, we total each of the external items.

In order to construct the Internal variable, we total each of the internal items.

Next, we normalize each of the variables.

Finally, we generate the GAP measure using the difference between External variables in t and Internal variables in $t-1$.

CSR_Gap measure adopted of the procedure of García-Sánchez, Raimo, et al. (2021)

In order to construct the External variable, we compute the mean across variables for each of the external observations.

In order to construct the Internal variable, we compute the mean across variables for each of the internal observations.

Next, we normalize each of the variables

Finally, we generate the GAP measure using the difference between both normalized variables - External variables in t and Internal variables in $t-1$.