



**Murdoch**  
UNIVERSITY

## MURDOCH RESEARCH REPOSITORY

*This is the author's final version of the work, as accepted for publication following peer review but without the publisher's layout or pagination.*

*The definitive version is available at*

<http://dx.doi.org/10.1108/IJAIM-05-2016-0064>

**Hossain, M.M. and Alam, M. (2016) Corporate social reporting (CSR) and stakeholder accountability in Bangladesh. International Journal of Accounting & Information Management, 24 (4). pp. 415-442.**

<http://researchrepository.murdoch.edu.au/34654/>

Copyright: © Emerald Group Publishing Limited.

It is posted here for your personal use. No further distribution is permitted.

# Corporate social reporting (CSR) and stakeholder accountability in Bangladesh - Perceptions of less economically powerful stakeholders

## Abstract

**Purpose-** The purpose of this study is to investigate **organisational** accountability to less economically powerful stakeholders in the absence of formal CSR guidelines. In addition, this study emphasizes the role of administrative and institutional reforms in empowering stakeholders in a developing context, Bangladesh.

**Design/methodology/approach-** Consistent with prior literature, this qualitative study collected data through semi-structured interviews with 23 representatives from NGOs, media, civil society, customers, regulators, trade union leaders, and employees who are considered as less economically powerful stakeholders. **This paper draws on the demand for administrative reforms along with an institutional support structure (Owen et al., 1997) to enhance CSR and corporate accountability.**

**Findings-** the empirical evidence shows that there is a need for a stand-alone mandatory CSR to achieve stakeholder accountability. It also shows that there are demands from ‘stakeholders to right to know’ about the company’s social and environmental performance along with stakeholder engagements. There is a perceived demand for administrative *reform* along with institutional supports that can contribute to the CSR development in Bangladesh. These administrative reforms would encourage transparent corporate social and environmental practices. Given the socio-economic and vulnerable environmental conditions of Bangladesh, stakeholders in this study suggested contextually relevant CSR guidelines towards greater accountability.

**Research limitations/implications-** This paper is one of the few engagements based studies which explore the perceptions of less economically powerful stakeholders towards CSR developments in an emerging economy, Bangladesh. The findings of this study using the theoretical lens of accountability with *administrative* and *institutional reforms*, leads us to **conclude** that companies in Bangladesh have low level of CSR towards stakeholder accountability and stakeholder engagements.

**Originality/value-** The paper contributes to the CSR literature by highlighting the needs of CSR from the stakeholder’s accountability perspective.

**Key Words:** Corporate social reporting, Stakeholders accountability, administrative reform, developing countries, Bangladesh.

Paper type: Research paper

## 1. Introduction

Stakeholder accountability in corporate social reporting (CSR) research has gained academic attention in recent times (Tilt 2007; Unerman and Bebbington 2007) by recognizing the voice of less economically powerful stakeholders towards corporate accountability. Despite financial meltdowns in recent years, society at large is becoming more concerned and critical of the corporate social and environmental performance (Kolk and Pinkse 2006; KPMG 2008). This is evidenced by a recent survey report of KPMG (2013) in which it is revealed that more than 93% of the world's top 250 companies produce separate CSR/sustainability reports to ensure accountability and transparency to the stakeholders. Several authors identified the influence of both internal and external factors, such as, reputation, desire from management, external pressure etc. (Adams 2002) on CSR practices. Recent literature argues how the voluntary nature of CSR seeks to manage public impression by providing social and environmental information (O'Dwyer 2003; Galbreath and Shum 2012; Deegan 2002). But, there is a criticism that companies only highlight selected events and in most cases omit information which is demanded by the stakeholders (Larrinaga-Gonzalez et al. 2002). It is also argued that as due to the voluntary nature of CSR, there is no formal requirement for producing verified social and environmental information and thus motivates companies to render social accounting to a range of stakeholders. A number of studies have suggested mandatory regulations for standalone CSR/sustainability reports through administrative reforms (Owen et al. 1997; Owen et al. 2001; O'Dwyer et al. 2005) with institutional support. Specifically, Larrinaga et al., (2002) contend that an arrangement of administrative reform with institutional support is likely provides an effective means of empowering stakeholders.

While there have been a growing number of studies examining stakeholders' views and perceptions on CSR mostly from developed countries context, few academic studies have focused on the perceptions on less economically powerful 'marginalised' stakeholders (with the exception of O'Dwyer et al., 2005). In addition, there remains a complete absence of studies in developing countries by giving a voice to less economically powerful stakeholders. The socio-economic context of most developing countries including Bangladesh exhibits a number of social and environmental challenges such as, poverty, child labour, environmental pollutions which is caused by the corporate organisations. The voices of the stakeholders are considered to be narrow which reinforce the need to investigate how these groups of stakeholders perceive CSR to meet their information needs towards corporate accountability (Brunk 2010). We respond to the recent call by O'Dwyer et al. (2005) and Cooper and Owen (2007) who argue that views of a wider group of stakeholders in CSR research are important to discharge of accountability.

This study takes up this call within a developing country context, namely Bangladesh. The purpose of this study is to investigate organisational accountabilities to less economically

powerful stakeholders in the absence of formal CSR guidelines. In addition, this study highlights on the administrative and institutional reforms to empowering stakeholders in Bangladesh. To achieve this purpose, the paper analyses views of a wider **groups** of less economically powerful non-managerial stakeholders, such as, NGOs, Media, Civil society, customers, trade unions, and regulatory authorities. A series of in-depth, semi-structured interviews were conducted with the above mentioned stakeholders who have been identified as less economically powerful non-managerial stakeholders. The earlier studies consider these groups of stakeholders are less economically powerful non-managerial stakeholders because they often play an important role in changing the corporate social and environmental behaviour by expressing their voice and opinions (Unerman and Bennett 2004; O'Dwyer et al. 2005). Moreover, empowering these groups of stakeholders through engagement and dialogue helps organisations to develop CSR policies based on their expectations. It is also argued that socio-economic, cultural and political contexts are important to understand CSR in developing countries (Matten and Moon 2008). Scholars further suggest that a strong degree of administrative and institutional support is required to make CSR effective and to enhance accountability through mandatory reporting guidelines (Owen et al., 1997; Owen et al., 2001). For example, based on the evidence from Spanish companies, Larrigana et al., (2002) contend that administrative and institutional reforms by changing governance structure empowered stakeholders in CSR.

The context of Bangladesh as a developing country is useful for understanding less economically powerful stakeholders' accountability. First, the low level of CSR in Bangladesh provides an opportunity to explore the views and expectations of less economically powerful stakeholders who are mostly ignored by the companies (Belal et al. 2015). CSR practices are influenced mainly by the powerful stakeholders (e.g., international buyers in export oriented industry) and powerful board of the directors (Islam and Deegan 2008; Hossain et al. 2015). Second, governance systems for both financial and non-financial reporting are poor because there is no formal guideline for CSR (Siddiqui 2010). It has been also argued that corruption and politics plays an important role in CSR related decision making process (Hossain et al. 2016). Thirdly, a lack of accountability to a wider **group** of stakeholders and corporate intentions to 'marginalise' the stakeholder voice created concern for human rights, occupational health and safety and increased environmental degradation (Belal et al., 2015).

Theoretically, this paper draws on the stakeholder accountability notions of 'demand for administrative reform along with institutional support' which has been suggested by Owen et al., (1997) towards CSR, thereby enhancing corporate accountability. The findings of the study reveal that the current CSR practices are mainly shaped by socio-economic and cultural contexts. The demand for a mandatory CSR framework along with the implementation of existing environmental laws is consistently supported by the interviewees. Specially, **this** study reports that there is a demand for

administrative and institutional reforms by incorporating the voices of less economically powerful stakeholders for improving corporate accountability. The views and expectations of marginalised groups of stakeholders have become an important strategy for organisations in an effort to be perceived as socially- and environmentally-friendly corporations. Studies, such as, O'Dwyer et al., (2005) and Cooper and Owen (2007) draw profoundly on administrative and institutional reforms to empowering stakeholders. This paper contributes to the required mandatory CSR framework through administrative and institutional reforms that ensure the stakeholder accountability in a developing country context.

The structure of the paper is as follows: The next section presents the reform process and corporate social reporting including the demand and requirement for administrative and institutional reforms. The following section discusses about socio-economic issues and governance structure in Bangladesh including current state of CSR. The research method is explained in detail followed by the findings of the study with in-depth exploration of less economically powerful stakeholders view on CSR and demand for reforms (Administrative and institutional). The final section concludes with limitations and directions for future research.

## **2. Reform process and corporate social accountability**

Earlier studies claim that CSR is a practical mechanism to enhance corporate accountability to wider **groups** of external stakeholders (Bendell 2005; Deegan 2002; Gray et al. 1996). Alrazi et al., (2015) argue that the need of social accountability is important for stakeholders because organisations operate in society via a social contract which extends the scope of social accountability and responsibility “by making explicit the essentials of disclosure to serve the stakeholders, rights to information” (p.47). However, several studies explore managerial motivations of CSR by using different theories such as stakeholder, legitimacy, and political economic theories based on the assumption that “business will focus on the demands of its economically powerful stakeholders when formulating its CSR” (O'Dwyer et al., 2005). Wheeler et al., (2003) argue that businesses consider stakeholders economic power and their influence on CSR practices. Similar views have been suggested by Mitchell et al., (1997) who used three stakeholder attributes used by the firms to ensure their CSR related social accountability. These attributes are: stakeholder's power to influence the firm, the legitimacy of the stakeholder's relationship with the firm, and the urgency of the stakeholders claim on the firm. **One of the major criticisms of Mitchell et al., (1997) framework is that it has not treated all stakeholders equally irrespective of their power to influence the firm's activities. In addition, stakeholders' power, legitimacy and urgency require special attention “as they are actively pursuing favourable outcomes on their policy issues” (Friedman et al., 2004 p. 177). This framework ignores less economically powerful stakeholders' demands and expectations. The**

consequences of not treating all stakeholders equally are undermined their rights to know, controlling their voice to be emerged that ultimately reduces greater corporate accountability.

Despite of the current wave of CSR from managerial perspectives, scholars argue that it is difficult to find convincing arguments promoting the interests of less economically powerful stakeholders (Donaldson and Preston 1995; De Madariaga and Valor 2007). It is observed that organisations are becoming more proactive to address external stakeholders from the concept of 'win-win scenarios' (Crawford and Williams 2010). Stakeholder management is a complex mix of different strategic tasks that include identifying, assessing, prioritising and managing the relationship, and communicating, negotiating and contracting with various stakeholders that may have relevance to the firm's economic interests (Boesso and Kumar 2009). While a growing number of organisations are focusing on stakeholder management, they are hardly showing adequate interests and taking necessary actions to ensure stakeholders right to know about **organisational** social and environmental impacts (Friedman and Miles 2002).

The 'right to know' of an organisation's CSR activities towards corporate social accountability has been further explained by Unerman and Bebbington (2007) who argue CSR from two broad perspectives. The first perspective argues that an organisation is truly responsible and accountable to inform stakeholders about its social and environmental impacts– not just for those impacts or activities prioritised by the organisation's managers to achieve their own goal (Bebbington and Gray 2001). The second perspective notes that corporate managers use CSR as a tool to win or retain the support of those stakeholders who have the ability to influence the achievement of an organisation's goal. However, the emerging efforts to expose non-managerial and economically less powerful stakeholder voices are proving to be an important role of organisations' accountability process (O'Dwyer et al., 2005). Unerman and Bennett (2004) observe that the needs and expectations of less economically powerful stakeholders are often likely to be reciprocally exclusive. Many scholars strongly view that CSR is worthless if there is no true accountability to all stakeholders irrespective their power, strength, and their impact on businesses (Mitchell et al., 1997). To support these view O'Dwyer et al., (2005) note that "no matter how economically insignificant, powerless, illegitimate and/or lacking in salience" (p.17), stakeholders have rights, needs and expectations from the organisation.

A recent CSR study identifies two areas which can ensure corporate accountability through CSR to the stakeholders who are economically less powerful (O'Dwyer et al., 2005). These two areas are administrative reforms and institutional reforms which focus on empowering the economically less powerful stakeholders. A study by Owen et al., (1997) extends high preference to administrative reforms for CSR which will ensure organisational transparency and accountability to all stakeholders, regardless their economic power. The second aspect emphasizes the institutional reforms in order to

empower less powerful stakeholders which are consistent with the earlier CSR studies (Owen et al., 1997; Owen et al., 2001). It has been argued that institutional reforms will allow more direct engagement to less economically powerful stakeholders in the organisation's decision making process.

The process of administrative reform is often conceived as a political initiative for achieving social objectives, for example, CSR is likely to curb anti-corruption, economic exploitation of big businesses and look after the society and environment. Some of the environmental issues exist as a result of anomalies in the existing administration systems. Administrative reform alone can be ineffective when its legitimacy is questionable because of adequate mechanisms in institutional arrangements to monitor these reforms (Cooper and Owen 2007). While administrative reform is often focused on changing policies and procedures for better service delivery in developed countries, it takes a much wider role in developing countries for social transformation. For example, in developing countries the CSR practices will not deliver any result if it is left to the corporate sector to manage their own environmental practices where the social norm and professional conduct are yet to develop. Peters (1997) categorizes administrative reforms into three types such as top-down, bottom up and institutional models. While the top down model is initiated by key individuals who see the need for a change, the bottom up approach is environmentally determined. The top down approach is considered to be purposive where certain initiatives are undertaken to achieve certain objectives. The traditional administrative reforms are categorized as top-down approaches where the need is to address the inadequacies of the existing models. The bottom up approach is more towards adjusting the structure and other changes to adapt to the environmental needs. For example, when seen from a CSR perspective, organisations are likely to adjust their environmental needs in a situation of environmental degradation and, external pressures from supply chain partners. The contingency approach of management theory addresses this type of reform process. The institutional model of administrative reforms emphasizes the need to develop collective values where organisations develop mutual adjustments to be adaptive. The following subsections discuss the nature of these reforms in more detail.

#### *Administrative reforms:*

Administrative reforms concentrate on developing reporting mechanisms, such as, CSR to encourage transparency to stakeholders, particularly less powerful stakeholders (O'Dwyer et al., 2005). Several earlier studies argue that administrative reform leads corporate social and environmental accountability through enhanced CSR practices (Cooper and Owen 2007; Larrinaga et al., 2002). A number of developed countries such as Australia, Singapore, UK, and other Western European countries have undertaken administrative reform which is predominantly voluntary. However, there are some strong legal requirements which are imposed in Australia, The Netherlands,

Denmark, Norway and France (Adams 2004; Deegan 2014). For example, the Corporation Act 2001 in Australia requires the board of the directors to ensure the company's social and environmental performance in relation to environmental regulations. Moreover, if any corporation produces greenhouse gas which exceeds the threshold limit, they are required to disclose their greenhouse gas emission information according to the National Greenhouse and Energy reporting (NGER) Act 2007. So far, two voluntary guidelines have been developed for CSR by the Institute of Social and Ethical Accountability (Accountability) and the Global Reporting Initiative (GRI). It has been argued that voluntary mechanisms of CSR will enhance the quality, transparency and reliability of corporate social accountability. However, the implementation and control mechanism of such measures remain within the ambit of organisations where they will dominantly use their strategy to control the stakeholder dialogue (O'Dwyer et al., 2005). Moreover, most companies are reluctant to undertake the assurance certificate because of its voluntary nature (Deegan, 2014). Therefore, users demand for compulsory reporting guidelines through administrative reform are growing in order to achieve more transparent CSR rather than using reporting as a showcase or impression management tool (Frost and English 2002; Islam and Dellaportas 2011).

Whilst administrative reforms have strong and substantial mandatory power to improve corporate accountability to stakeholders, it needs to be accompanied by an institutional reform such as corporate governance reform to empower organisational stakeholders who are economically less powerful (Owen et al., 2001). Kelly (2001) notes that ensuring stakeholder accountability requires more institutional reforms of corporate governance where stakeholders can raise their voice to meet their CSR related expectations. However, O'Dwyer et al., (2005) has argued that administrative processes cannot ensure participatory democracy without institutional rights to information for stakeholders. This view has been supported by Brown and Fraser (2006) who indicate these disclosures of social and environmental information is a pre-condition for democratic participation of managers with stakeholders. Owen et al., (2001) suggest the need for change in corporate governance mechanisms that incorporates social accounting and reporting combined with more engagement and dialogue with stakeholders. Unless the corporate governance reform is designed to provide a voice to less economically stakeholders, institutional rights to CSR information may not be achieved. Many authors have argued that a free discussion and dialogue is useful for providing all stakeholders with the right to express their opinion (Boesso and Kumar 2009; Rinaldi et al. 2014). The need for institutional reforms aimed at giving voice to the less economically powerful stakeholders support administrative reforms involving new forms of CSR (O'Dwyer et al., 2005). Moreover, changes to the corporate governance structures to improve greater social accountability through legislation will empower stakeholders.



In addition to administrative and institutional reforms, many authors emphasise the cognitive and cultural issues which constrain corporate social behaviour (Campbell 2000; Buhr and Freedman 2001). Prior studies maintain that the national context and distinctive in socio-economic, political and cultural differences are likely to influence organisation's in formulating their CSR policies (Momin and Parker 2013). Informal societal norms and codes of conduct shape the behaviour of the individuals and the organisations working in that particular society. For example, multinational companies operating or outsourcing products or services from developing countries consider national cultural, political and economic factors while practicing CSR in different contexts. More recently, scholars found evidence of political influence on company board of directors in the CSR decision making process in developing countries context (Hossain et al., 2016). It is evident that board of the directors' political connections restricts the corporate accountability and overlook the stakeholder accountability.

#### *A research framework for this study*

This study adopts an integrative framework to understand corporate social accounting practices in a developing country context. Following Peters (1997) framework (later used by Owen et al., 1999; Owen et al., 2001; O'Dwyer et al., 2005) this study views that there is a need to integrate different sources of reform to achieve regulatory, institutional and normative pressures for CSR towards accountability which has been explained in the previous section. Islam and Dellapartas (2011) argue that this absence of mandatory reporting guidelines attributed to the lack of expertise and lack of regulations towards social accountability. These issues are further connected to particular socio-economic and cultural values which rely on secrecy and limited reporting to only influential stakeholders (Uddin 2009). However, a recent study by Hossain et al., (2016) argues that despite abundant laws and regulations, CSR cannot ensure accountability if there is no monitoring system. For example, in developing countries, corruption and politics are usual phenomena in the CSR decision process. We therefore argue that administrative reform with institutional support and monitoring plays important role for corporate accountability towards empowering the less economically powerful stakeholders. It is also well recognised that institutional reforms along with normative pressures from multinational partners on local organisations can have positive implications for corporate social accountability. Unlike developed countries where regulations with effective monitoring systems produce positive outcomes on corporate social accounting, developing countries need some cultural transformations.

The theoretical framework in this paper highlights on three areas of corporate social accounting. First, there needs to be mandatory reporting practices on CSR. These cannot be left with organisations to practice on a voluntary basis. Secondly, there needs to be institutional arrangements to monitor corporate practices. If such practices are not adequately monitored, organisations will have

incentive to evade such practices through bribery and corrupt practices. Thirdly, a normative pressure is useful to create an atmosphere so that corporate social accountability becomes a norm within the business community. This paper takes a view that various sources of reforms are complimentary which are expected to produce a positive impact on corporate social accountability rather than treating them separately. Drawing upon the three areas of reform towards stakeholder accountability, we presented our findings by exploring the stakeholders demand for administrative, institutional and monitoring system reforms as well as perceptions and expectations to the future CSR development in Bangladesh. The next section will discuss the Bangladesh CSR context.

### **3. Bangladesh: some contextual insights**

Bangladesh is an emerging economy in South East Asia which faces numerous socio-economic and political challenges to corporate accountability. It is the 32<sup>nd</sup> largest economy in the world and is considered as the Next Eleven emerging markets economies due to its faster growing GDP with a growth rate of 7.1 percent. Since its birth, the country has followed a socialist economic system. However, after 1990s the changes of parliamentary democratic system, Bangladesh adopted an open-market economy and encouraged foreign investors to boost up the economy. In recent years, the growth of the export oriented industries such as Clothing and textile industry (which is second largest export oriented industry in the world after China), along with Pharmaceuticals made Bangladesh as an economically successful country and shifted its position from low-income country to middle-income country. Bangladesh corporate sector is characterised by family dominant ownership structure, poor legal and administrative framework, and a lack of implementation of laws and regulations (Siddiqui 2010). Like many other developing countries, most of the companies in Bangladesh are predominantly family owned or substantial shares are controlled by family members. Farooque et al., (2007) note that more than 50% of a firm's outstanding shares owned by family members. It is reported that because of family dominance in the board, management does not care about the shareholder or other stakeholders towards their financial and non-financial accountabilities (Khan et al. 2012).

As a former British colony, Bangladesh inherited common law system. The corporate sector is regulated by the Companies Act 1994 (which is originated from British Companies Act 1993) for the ownership structure, CEO appointment and remuneration of the auditors etc. (Siddiqui 2010). In addition to the Companies Act, there are a plentiful laws and regulations (e. g. Factories Act, 1965, Payment of Wages Act, 1936, Environmental Protection Act, 1995, Employment and Labour Act 1965) that were also inherited from the British common law system. These laws clearly noted the social and environmental related responsibilities of companies. However, due prevalent corruptions and political interference these laws are not effectively implemented (Hossain et al., 2016). In a separate study, Belal and Roberts (2010) highlighted that "Flouting of environmental laws is evidenced by

unwillingness of manufacturing organisations to install effluent treatment plants (ETP) which were mandated in 1995” (p.313). It has been argued that most of the owners of these organisations have either direct or indirect connections with the political parties which protect them for not obeying the laws and regulations (Hossain et al., 2016). More recently, the Ministry of Environment and Forests has created pressure on the polluting industries to use ETPs as industrial pollution is considered one of the key environmental problems (Belal 1997), with concerns expressed that if nothing is done to check it, Bangladesh will run the risk of facing an “ecological catastrophe” (Inam 1995). As a result, Government of Bangladesh has introduced a number of social and environmental laws and regulations to ensure the corporate accountability. Some of the related laws are: The Bangladesh Conservation Strategy, 1995, National Environment Management Action Plan (NEMAP), 1996, Bangladesh: Poverty Reduction Strategy Paper (PRSP), 2005, National Conservation Strategy, 2005, *Environment Court Act 2010*, *Environment Conservation (Amendment) Act 2010*. However, the implementation of laws is ineffective, and corruption is normal practice in Bangladesh like many other developing countries. Tax evasion, loan defaults, share market manipulation and “black money” trading are evidenced in Bangladeshi corporate culture due to the poor corporate governance structure. The same scenario also found in the financial sector where companies are regulated by the Banking Companies Act 1994 and the Insurance Act 1973 but lack of legal enforcement is found to be widespread (Uddin and Hopper 2003).

The Securities and Exchange Commission (SEC) issued corporate governance guidelines for listed companies in Bangladesh in 2006 which aim to improve and strengthen corporate governance practices. Later some of the codes and principles of corporate governance were amended (e.g. board of the directors’ appointment, board size, selection of independent directors, audit committee etc.) in 2012 as a result of several illegal loan scandals by state-owned banks. However, there is no evidence that these corporate governance codes adopted any social or environmental accountability and reporting related clauses to ensure the greater stakeholder accountability in terms of the stakeholder’s social and environmental expectations. The previous literature suggests that corporate governance codes and principles have strong and positive impact on corporate social reporting and accountability (Rao et al. 2012; Kolk and Pinkse 2006; Haniffa and Cooke 2005). Therefore, it has become inevitable to take initiative for administrative reform along with institutional reform given the norms and contextual issues in a developing country such as Bangladesh.

#### *State of corporate social reporting and stakeholder accountability in Bangladesh*

The effects of CSR towards greater stakeholder accountability in Bangladesh are still in primary stages. Companies in Bangladesh have little evidence of major changes in CSR development particularly emphasizing on less economically powerful stakeholder accountability. There are many concerning issues (such as child labour, working conditions, poor wages rate, equal opportunity and

occupational health and safety) exist in Bangladesh (Belal and Owen 2007). It is argued that a key purpose of CSR is to discharge accountability to all stakeholders (irrespective their power and influence on the organisations) and a normative perspective of social accounting explains this view (O'Dwyer et al., 2005; Owen et al., 2001). However, earlier studies report that companies in Bangladesh are giving more priority in managing powerful stakeholders such as international buyers in export oriented industry, thus marginalised less economically powerful stakeholders towards stakeholder accountability.

A growing number of studies are in favour of stakeholder social and environmental accountability (Unerman and Bebbington 2007) and contend for a voice of less economically powerful stakeholders. However, recent evidence shows that the stakeholders (such as NGOs, media, civil society, employees, trade union, regulatory authorities) in Bangladesh are not well aware and educated about the organisations social and environmental accountability through CSR. Though community-based civil society developed in early 1860s in Bangladesh (White 1999), little changes took place to corporate stakeholder accountability. However, there is a formal CSR guideline for banking companies but predominantly voluntary since Bangladesh Bank issued voluntary reporting guidelines on social and environmental matters in 2008.

Early CSR studies in Bangladesh were mostly descriptive with some exception of engagement based studies that predominantly focused on managerial perspective and motivations behind CSR (Islam and Deegan 2008, Belal and Owen 2007, Momin and parker 2013). So far, there is little discussion on stakeholder accountability particularly giving voice to less economically powerful stakeholders. Though Belal and Cooper (2011) explored the relative absence of CSR from managerial perspective, stakeholder engagement and accountability in Bangladesh context has been not explored to date. In a recent study Hossain et al., (2016) explored contributing barriers of CSR in Bangladesh by examining stakeholders view. However, they haven't explored stakeholder accountability and related insights particularly administrative and institutional reforms compiled with socio-economic context which is important to giving voice to less economically powerful stakeholders.

#### **4. Research Method**

The paper emphasizes on presenting an in-depth contextually rich analysis of the views and expectations of less economically powerful stakeholders on CSR in a developing country. Therefore, it is more appropriate to adopt qualitative research approach for this study to secure an in-depth understanding of the CSR focusing stakeholder accountability (Flick 2002; Yin 2003; Miles and Huberman 1994). The social and environmental accounting (SEA) academic researchers are strongly in favour of qualitative engagement-based study that offers appropriate and immense opportunity for interviewees to express their views without any obstacles (Adams and Larrinaga-González 2007;

Gilham 2005). Moreover, qualitative research approach is appropriate for exploring new themes which has not been previously codified or conceived (Daniels and Cannice 2004).

This study employs semi-structured face-to-face interviews to gain a better understanding of stakeholder accountability through CSR in Bangladesh. Interviewees are selected from the less economically powerful stakeholder groups (e.g., NGOs, Media, Civil society, Customers, regulators, and trade unions and employees) which is consistent with prior literature. Most of the interviewees have extensive work experience in CSR related areas and **occupied senior position in the organisations**. The selection of the interviewees therefore aims at providing insights into the in-depth understanding and experiences of CSR towards stakeholder accountability. Prior literature supports the selection of different stakeholders who are less economically powerful stakeholders (Tilt 2007; O'Dwyer et al., 2005; Belal and Roberts 2010). The study purposively selects stakeholder groups and make sure their willingness to participate in interview process (Creswell 2007; Glaser and Strauss 1967). To gain an in-depth understanding of less economically powerful stakeholder's views and expectations, 23 semi-structured interviews were conducted in Dhaka, Bangladesh. It is argued that the number of interviews in qualitative research varies among researchers, but the majority prefers continuing interview until saturation (a point when additional interview does not produce any new theme (Mason 2010). The interviews were tape-recorded and conducted in English (except two interviews) by one of the researchers who is a native Bengali speaker. The researcher then transcribed and translated interviews and checked several times to make sure the accuracy of transcriptions. During the transcribing process, the researcher was cautious not to lose interviews meaning. **The profile of the interviewees presented in table I.**

*Insert table I here*

As mentioned earlier, this study adopts face -to- face and semi-structured interviews as Diefenbach (2009) suggests that semi-structured interviews motivate the interviewee to answer fully and accurately thus improve data quality. The interviewees were asked on CSR towards stakeholder accountability as well as their expectations for its future development and implementation. Open **communications** between the interviewer and interviewee arguably helps sharing views if they are from the same cultural background (Belal and Owen 2007) and allows gaining insights beyond western -centric perspective (Gallhofer et al. 2011). The **interview** questions broadly covered the following areas: stakeholders' perceptions on corporate inspiration of CSR, views/demand for CSR, expectations of stakeholders for future development of CSR, and nature of stakeholder engagement with companies. The questions were framed according to O'Dwyers et al., (2005) who suggest that wide-ranging conversation on CSR allow facilitating the emergence of other relevant issues throughout the interviews. These text data were managed by using Nvivo 9 software which has been developed specially to facilitate qualitative data analysis. Nvivo 9 software is a data management tool

for managing a ‘messy’ mountain of data collected in different formats from various sources such as interviews, field notes and documents. It provides a more streamlined structure for discovering emergent themes and is capable of alleviating the problem of ‘drowning in data’ by allowing data to be allocated into themes (Kim et al. 2013). The findings from data analysis presented through ‘thick description’ as suggested by Guba and Lincoln (1985). To ensure the validity and reliability of the interviews findings, this study adopted the “trustworthiness framework” of Lincoln and Guba (1985). The trustworthiness and validity of this qualitative study was ensured by the member checks, peer debriefing and persistent observation.

## 5. Findings

The findings of the study are presented **into** three broad categories: Stakeholders general perceptions on CSR; demand for administration reform with institutional involvement; and expectations and prospects of future CSR development in Bangladesh.

### 5.1 Stakeholders perceptions on CSR

This section presents the perceptions of interviewees on CSR towards stakeholder accountability which is consistent with the socio-economic, cultural and political aspects of the research context. Majority of interviewees are in favour of their ‘right to know’ about the organisation’s responsibility to community and environment. They uniformly mentioned that CSR is a new and growing issue and it needs time for organisations to grasp the concept. However, interviewees commonly agreed on their rights of CSR information which is treated as stakeholder rights (O’Dwyer et al., 2005, Owen et al., 2001). Interviewees opined that companies in Bangladesh are influenced by their trading partners from western countries with regards to CSR practices. For example, they see multinational companies (MNCs) operating in developing countries like Bangladesh is obliged to adopt CSR strategy as guided by their parent companies. There are some local companies (mostly top companies in terms of size) who follow the footsteps of MNCs towards voluntary CSR practices. One NGO leader argues that MNCs’ compliance makes them more accountable to stakeholder compared to leading local companies who just started to “mushroom” the concept.

*One thing is that, if I can say [this] about our corporate sector, maybe a handful of companies are large enough to have the knowledge or the vision. Many are working with their mother companies in the developed world, who are pressurising them to use certain compliance measures whereas most companies in Bangladesh, mushrooming over the last 20 years, do not have the financial resources or the knowledge platform where they can gain the expertise on sustainable business ventures. (Interviewee NGO 2).*

Although local companies in Bangladesh have sporadic CSR activities, the interview evidence suggests that they generally do not bother reporting on their CSR activities. This corporate attitude (perceived by interviewees) indicates to ignore ‘stakeholder rights to know’ the information on corporate social and environmental impacts. According to O’Dwyer et al., (2005), organisations

can achieve broader social support if CSR can enhance corporate accountability which satisfies the stakeholders “right to know about key corporate activities impacting on their lives” (p.22). A typical interviewee expressed the following quote:

*Organisations have an obligation to inform their social and environmental activities. At this moment, only few companies disclose some voluntary community related information. So far, there is no environmental information. If you look at the MNCs CSR, they put all information to satisfy their stakeholders. Our companies are far behind than them (NGO-03.)*

The views held by interviewees reflect scepticism about corporate enthusiasms of CSR and many social accounting scholars are doubtful that these motivations for undertaking CSR can ensure true accountability to stakeholders or just benefits the corporations only (Bebbington et al. 2007; Gray 2006). For example, interviewees argue that many organisations have initiated CSR in order to gain financial benefits by providing good working environment to employees, ensuring occupational health and safety which leads employee satisfaction. Such views are consistent with the literature that CSR leads benefits for an organisation by creating reputation, customers and employees’ satisfaction (Galbreath 2010; Aguinis and Glavas 2012). Based on social and environmental information provided to stakeholders, organisations can achieve positive perceptions on their behaviour (Roberts and Dowling 2002). These findings also indicate the needs of social and environmental responsibility information through annual reports or stand-alone CSR. Some interviewees argue that CSR should not consider only corporate benefits but needs to be prioritised wider **groups** of stakeholder benefits. The following comments made by the interviewees:

*The business organisations need to work for society to create a good image and at the same time they will also pursue their business interest (Interviewee TU-01).*

*In order to make oneself acceptable, participation in social responsibility is a must. If a company builds and maintains a road for the people who walk around, it will be seen as a good company. Ultimately, this will have an impact in the company’s profitability. Although we call it corporate social responsibility, ultimately, it leads to increased profitability and acceptability for the company and therefore, organisations get motivation to undertake CSR and disclose this information (Interviewee RA-02).*

Many of the interviewees perceive that the current level CSR provides little attention on human resources particularly employee benefits. This view considers CSR is an important mechanism for attracting employees as it reduces employee turnover (Greening and Turban 2000; Galbreath 2010). The interviewees provide an example that growing number of organisations in Bangladesh has established school, college, and hospitals; however, their motivations are not solely guided by self-interests. The interviewees raise questions about the corporate true accountability intention through CSR and they called it “green washing”. Cho and Patten (2007) note that green-washing implies presenting information in the CSR does not necessarily correspond with actual social and

environmental performance. The interviewees have common perceptions that Bangladeshi organisations need to be conceptualised the true accountability of social and environmental obligations, instead of green-washing. The following comments made by the interview participants:

*The companies in Bangladesh intentionally are reluctant to spend money for employees' benefit purpose. They want more profit by spending less on employees, which is "absolutely rubbish" (Interviewee ER-01).*

*Right now what we can see, being people in the media, is that many corporate houses carry out some form of social responsibility through their advertisements. They bring out social campaign advertisements against AIDS and dowry. But behind these, they have an ulterior motive. They get to put their names at the end and, hence, publicise themselves. But these campaigns are limited to advertisements; for example, they don't actually get out into the field and take some action against the dowry system (Interviewee EM-02).*

Interviewees perceive that some organisations are involved with philanthropic activities but they are reluctant to ensure the product/service responsibility. For example, product quality and safety issues raise attention among the consumers in Bangladesh, and organisations are reluctant to provide any quality assurance related information. Interestingly, organisations are attentive to use different short of advertisements about their social projects such as city beatification project. Most of the interviewees are happy for such corporate social initiatives but question about the stakeholder accountability. This findings show a widely noted fact on how companies in developing countries like Bangladesh ignore customers' expectations of CSR (Kim et al. 2013). One interviewee responds:

*I think that to date there is no company in Bangladesh which thinks about consumer interests. But without consumers, companies cannot survive because consumers are the end-users of all their products and services. But they never think of the consumers as a class. However, new thoughts have begun to be attached to trade and business because of the young generation. The old timers never gave thought to the consumers and treated consumers as kings; rather it was like 'consumers are the slaves'. Today, young people are studying abroad and slowly they are incorporating consumers in their thoughts to a certain extent. But not enough has happened yet (Interviewee NGO-04).*

While there is a desire for more disclosure on social and environmental responsibility, interviewees also understand current state of socio-economic context of Bangladesh that does not support CSR to reach an international standard over the night. It is reported that there are only 15.4% of the listed companies have disclosure on CSR activities (Azim et al. 2009) but the interviewees believe that CSR practice will gradually increase. One typical comment from an interviewee is as follows:

*These are long-term processes – not short-term. Time has to be given and there's no alternative to that. We are thinking about all the avenues of CSR but we cannot work with all of them at a time. It will happen gradually. It would be quite immature if you raise the issue of human rights with a person who does not get a proper meal. So, we have to get in sync with the standards while keeping the economic condition of the country in mind (Interviewee RA-04).*



The perceptions of interviewees revealed that stakeholders are optimistic about the progress of CSR in Bangladesh though they indicated the low level of knowledge of stakeholders about corporate social accountability. They **provide opinion to** consider the local contextual issues such as poverty, unemployment, and child labour while formulating CSR policies. Whilst CSR is an emerging concept in Bangladesh, stakeholders argue that, compared to other subcontinent neighbouring nations, Bangladesh is progressing well:

*We have formulated all sorts of regulations related to the environment and other management areas. I do not think any other least developed country is so much equipped like Bangladesh. It is already well appreciated. There are many programs from where we can address all issues. We are planning to establish a Ministry of Climate Change. In fact, we already have a Climate Change Unit or CCU under the Department of Environment. However, we will establish a Ministry of Climate Change which will only conduct research on climate change. After five years, we will be very rich in the area of the environment (Interviewee RA-01).*

### 5.2 Administrative reform along with institutional involvement

Most of the interviewees in this study expressed the need for mandatory CSR guidelines. It has been suggested that stand-alone CSR/sustainability reports capture wider aspects of social and environmental performance and it enhance the validity and reliability of the reports (O'Dwyer et al., 2005). In addition, companies are increasingly using independent sustainability/CSR assurance certificate (similar to certified audit report for financial performance) to enhance transparency and credibility of the CSR reports. Currently, there are no mandatory CSR guidelines in Bangladesh though the banking companies are influenced by the Central Bank Voluntary Initiative to provide social and environmental information under the annual reports. It is demonstrated in literature that while mandatory regulative measures may have strong influence on CSR in developed countries, social and cultural factors also have inflated role in CSR development (Crawford and Williams 2010). We received mixed views from stakeholders, however, majority of them highlighted that the lack of regulatory framework for CSR is the major cause of limited discourse of social and environmental activities. Some interviewees mentioned that despite relevant laws related to child labour and other related issues, accountability to stakeholders have not been ensured through reporting. They blamed relevant regulatory authorities such as Securities and Exchange Commission (SEC) for their inability to take initiative and reform the institutions connected with social and environmental compliance. One interviewee remarks:

*Nothing works properly in Bangladesh without regulatory measures. There should be regulatory measures. Regulation has to come from the government – be it democratic or autocratic. Whether it is effective or not is a different issue. Regulations are needed because no one wants to do anything for someone else. When regulations will come, then it will turn into a habit for organisations to comply with environmental laws and provide information to their stakeholders (Interviewee PM2).*

Most of the interviewees felt **a mandatory CSR guidelines**. They are in favour of institutional involvement in the CSR framework by highlighting the restrictions of voluntary initiatives in developing or least developed countries (LDCs) where organised pressure groups are not formed to the level of those in Western developed countries. Interviewees commonly perceive that it is a prerequisite to create a formal CSR committee in the organisation to ensure stakeholder accountability through CSR. The stakeholders found no institutional initiatives for CSR but CSR was practised on an ad hoc basis. An interviewee (RA 03) from a regulatory authority argued that CSR decisions at an individual organisation level would not facilitate long-term benefits. Interviewee RA3 further suggested that an institutional framework be developed for financial institutions.

*Yes, we mentioned in the circular that there is a need for an institutional framework. It could be a committee which pays attention to social activities besides its regular work. Or a dedicated team could be developed by the banks; this would focus only on CSR activities. As a result, they will be able to pay attention to those activities and can acquire expertise in this field. Only then can sustainable programs be devised (Interviewee RA 03).*

Interviewees from both civil society and consumers association also strongly support mandatory regulations for CSR in Bangladesh. One representative from consumer association believes that, to save the environment and society from the “nasty hands” of corporate evil, the only alternative is mandatory CSR guidelines. Mobus (2005) argues that mandatory disclosures are a source of pressure for an organisation to ensure social and environmental compliance with better environmental and social performance norms. One interviewee remarks that:

*For Bangladesh, regulatory measures are the only way to actually incorporate CSR because we have a tendency to shy away. As you know, in Bangladesh we had a lot of issues with corruption, a lot of issues in the banking sector regarding default loans. Even those who have the money, the exposure and the knowledge do not incorporate a lot of things if there are no laws. So, I think in a country such as ours initially we have to start with regulations. If regulation comes, they will have to adhere to it but it also conflicts with the whole concept of CSR (Interviewee NGO- 06).*

Whilst most of the interviewees are strongly in support of mandatory CSR, one of the representatives from the regulatory authority provides his cautious comments that voluntary activities regulated by laws could have negative impacts. He expresses anxiety about organisations’ unethical attitudes which would seek gaps in the laws so they could take advantage of it. The reason behind his suspicion is that Bangladesh and a Western developed country are not culturally and contextually the same when it comes to adopting any standards or laws (Belal and Owen 2007). The following comment by an interviewee points:

*I do not think imposing laws will increase the level of social responsibility. You must have seen in some Western countries where auditing is not mandatory for private companies. But a listed public company must carry out auditing. If there is a law, what will happen is that the companies will spend exactly that very amount which is specified in the law. Everything cannot be ensured through laws. If you want to encourage CSR and make the company acceptable, you should make CSR a voluntary activity rather than a mandatory one. This will*

*be beneficial for both the environment and the company itself. There will be a positive impact on the company's profitability as well as in the society (Interviewee RA-02).*

The interviewees agree that the concerns are not about the regulations but rather the actual implementation of regulations with punishment for non-compliance. The interviewee from the major environmental regulator (Interviewee RA 01) observes that the attitudes of companies do not change even after receiving a huge fine. The Ministry of Environment and Forests operates a mobile court on a regular basis for factories that do not ensure environmental compliance. However, political leaders especially Ministers and Members of Parliament as well as government officials are involved in these incidents of non-compliance (Rodríguez et al. 2006). One interviewee from electronic media notes:

*The government should pressurise companies to take part in social activities. It should set specific regulations for the different sectors to take part in different social activities. However, instead of doing this, the government is busy providing facilities to these irresponsible businesses because often the different ministers and high-level government officials themselves are involved with these businesses. The members of the parliament, who are supposed to set the laws, often get so many facilities from the companies that they are biased towards them and are reluctant to take actions. But the general public wants the members of the parliament and the ministers to set regulations (Interviewee EM -01).*

The interviewees expressed opinions on standardisation of CSR guidelines particularly focusing on local contexts. They argued that the regulatory authorities in Bangladesh **require assessing** the adoptability of the standards before adopting. Siddiqui (2010) noted that Bangladesh adopted Anglo-Saxon model of corporate governance from the west without considering the local socio-economic and political culture. This western model of corporate governance could not stop the corporate fraud and the accountability in corporate sector is still questionable (See, for example, report released by Transparency International 2012). The interviewees are highly concerned about the standardisation process and verification. In the line of O'Dwyer et al., (2005) findings, the interviewees of this study suggested for a proper monitoring systems which is similar to financial reporting standards including independent assurance for CSR. One interviewee from media argued that "people will trust only verified reports; otherwise company can mislead us" (PM-03). Deegan (2014) argued that the lack of assurance in sustainability/CSR report might mislead the stakeholders instead of providing right information for decision making.

A number of interviews are highly concerned about the corporate governance reform in Bangladesh though most of them are doubtful about the implementation of governance codes and policies. So far very little is known about the corporate governance reform and its impact on the CSR in Bangladesh. Khan et al., (2012) argued that corporate governance characteristics have positive influence on CSR practice. For example, board of the director' role, audit committee, CEO leadership are key factors which can enhance corporate accountability. Interviewees in this study have shared believed that corporate governance reform **requires corporate** social and environmental codes and policies, CSR committee in the board, anti-corruption policy and so on. The nexus between corporate

governance and CSR has been explored by many authors who argued that strong implementation of corporate governance codes and principle improves corporate social and environmental performance (Harjoto and Jo 2011; Money and Schepers 2007). One interviewee stated:

*If corporate governance codes require CSR, listed companies are obliged to follow their instructions. Again, I am confused about the implementation. It needs strong implementation otherwise corporate sector practice the same way as they did earlier (EM -03).*

It is evident from the data that the demands for administrative reforms particularly governance reform can be successful with institutional supports. This has been further suggested by O'Dwyer et al., (2005) who noted “unless administrative reforms are accompanied by some form of institutional mechanisms designed to allow stakeholder voice in corporate decision-making regarding issues that directly impact on them or their constituents, there is little likelihood of any substantive change in organisational behaviour emerging” (p.28). At least half of the interviewees held the view those professional bodies in Bangladesh (e.g., Institute of Chartered Accountant of Bangladesh (ICAB) and Institute of Cost of Management Accountant of Bangladesh (ICMAB) play vital role for corporate reporting and accountability. As a part of institutional support, these two professional bodies need to work with the regulatory authorities to initiate framework for CSR. In the absence of international or local institutional guidelines, CSR may not guarantee to stakeholder accountability. In developing countries context, Lodhia (2003) and Kuasirikun and Sherer (2004) explored accountants' perceptions on CSR and suggested accountants and professional bodies' initiative for CSR guidelines. In this case, Islam and Dellaportas (2011) note that though accountants in Bangladesh have positive attitudes toward corporate social accountability, there is an absence of notable efforts to develop any social accounting guidelines by professional bodies. They also reported that despite of responsible authority to provide corporate accountability leadership, ICAB haven't initiated to put forward a CSR agenda. Interviewees also suggested professional bodies' collaboration with the regulatory authorities and civil society to formulate social and environmental accounting and reporting framework. For example, one interviewee from notes:

*We look forward for a proactive initiative from accounting professions such as ICAB, and ICMAB because they have technical skills on the accounting standards. As far as social and environmental reporting concern, they need to come forward. (RA-0 4)*

The evidence collected from the interviewees also emphasize on the environmental issues as global climate change related impacts created panic among all range of stakeholders. The interviewees clearly identified lack of institutional supports to improve environmental accountability through disclosures. Although organisations in Western developed countries are pushing to reduce negative environmental impacts through increased environmental friendly operations (Öberseder et al. 2013; Cho et al. 2010), the interview findings show a huge expectation gap between organisations' environmental accountability and stakeholders' expectations. For instance, interviewees believe that

all types of environmental pollution (such as air, water, waste management and biodiversity) created by corporate organisations in Bangladesh. They provided particular reference that the major cities in Bangladesh are situated on the bank of river where most of the factories are located. These factories dispose of industrial wastage directly into the river or air without any refining systems. In line with Belal and Roberts (2011), a number of interviewees referred ship breaking industry as a major cause of water pollution in coastal area. This industry disposes toxins and other harmful chemicals into the water and workers do not use any masks or health or safety measures while cutting up the ship. The interviewees urge institutional reform and implement the required environmental laws by the government. It is vital to reform institutions with government supports and stakeholder involvement to ensure environmental accountability in organisations, otherwise underpinning corporate accountability cannot be ensured through CSR (Larrinaga et al., 2002). Two of the interviewees remark in this regard:

*All trees in the coastal belts are being chopped down to create ship breaking plants and nothing can stop them. The government has tried, the high court has passed law and the police have gone there. But nothing has helped because some political people and ministers are involved here. Instead of imposing strict environmental compliance, the government is indifferent about its regulations. Organisations that are directly involved in environmental degradation do not care. They do not provide any information about these activities in their report (Interviewee PM-01).*

*All the organisations, particularly those involved in manufacturing, are disposing of their waste in a way that is polluting the environment. The main cause of the water pollution is the waste disposal, especially by the dyeing companies. They are jeopardising the whole environment. They merely provide any information which causes damage to the environment (Interviewee NGO 03).*

The above quotations resonate with the corporate environmentally un-friendly behaviour and stakeholders demand for required regulations with proper implementation. It was also indicated the political leaders' involvement contributed to the violation of environmental laws. The interviewees suggest for specific standards for industrial waste management. One NGO leader argues that the government particularly "the Environmental Ministry [Ministry of Environment and Forests] should take responsibility regarding this issue" (NGO1). While the government has established limited rules and regulations about environmental responsibility, the interviewee from the Ministry of Environment and Forests expresses her inability to implement the laws.

*We have conducted so many meetings, seminars and workshops, but most companies are still not complying. They say that this is costly and they are too poor to afford an effluent treatment plant (ETP); they said they need subsidies. Now the government is even trying to provide subsidies. For example, there is the relocation of tanneries in progress. These tanneries pollute water bodies in the Rayer Bazaar and Dhanmondi areas. So they are being shifted to a large area in Savar. A central ETP will be set up there with the help of the government (Interviewee RA 01).*

The above opinion emphasises the willingness from the government and the law enforcement agencies to ensure environmental responsibility; however, implementation does not look adequate. A

limited number of interviewees indicate that organisations are afraid of disclosing environmental issues through CSR owing to fear arising from pressure from stakeholders. Overall interview results suggest that the administrative reform is crucial through mandatory CSR guidelines, but regulations cannot guarantee to broader stakeholder accountability unless there is an institutional reform such as empowering stakeholders, re-structuring regulatory authorities such as SEC and DSE. In addition, proper implementation of the regulations and adequate monitoring systems are necessary in Bangladesh.

### *5.3 Stakeholder engagement and future prospect*

Bangladeshi stakeholders are more interested in engagement and dialogue in the CSR process. Currently, it is perceived by the interviewees that organisations have limited stakeholder engagement practices. The interviewees argued that companies do not care about stakeholder engagement and there is no formal communication system to initiative the stakeholder needs. Owen et al., (2001) and many others supported stakeholder engagement as an effective driver of corporate accountability because engagement leads open communication between an organisation and its stakeholder. The explanation given by an interviewee:

*“Organisations are afraid to discuss social and environmental issues with stakeholders. I think we have some incidence those ended with violence. As a result, companies are not interested to allow our voice in the decision making process “(TU 2).*

It is also assumed by some interviewees that if stakeholders are given power to raise their voice, organisations might misuse the power. For example, one interviewee stated:

*“Trade union leaders have strong influence on companies. They have been involved some destructive movements, damaged public and private property while they demand something from company” (RA-03).*

Though it is important to identify the stakeholders and then take initiative to engage them for the long-term survival (Neu et al. 1998), Bangladeshi companies have poor performance for engaging stakeholders in CSR. The interviewees argue that currently some organisations have setup initiatives for CSR, but there is nothing about stakeholder engagement and stakeholder participation in the report. They are highly critical about the government and regulatory authorities limited social and environmental responsible business operations without stakeholder accountability through engagement and dialogue. The typical interviewees comment:

*“The problem is, our companies do some community work, and this is what they mean as CSR. We need our own model of stakeholder engagement considering the local, contextual factor. It is not Western model; our local companies are yet to ready to accept the stakeholder engagement and dialogue. Anyway, I think there should have some initiative from government “(EM 01).*

*In some cases, they have employee volunteering once a year. But they are big multinational companies (ER 2)*

The above quotations clearly suggest that on limited occasions, Bangladeshi companies engaged stakeholder in CSR process; however, they perceived that only multinational companies have some stakeholder engagement activities through employee volunteering and community involvement. While interviewees have critical experience of stakeholder engagement, they believe that Bangladeshi companies need to undertake stakeholder accountability through more engagement and communication to the stakeholder. They particularly mentioned that the educational background and sustainable awareness and education of managers (who are involved for CSR related policy formulation and implementation) are important for successful CSR development in developing countries like Bangladesh. For instance, interviewees particularly mentioned the names of five companies' CEOs who had sound educational backgrounds and knowledge about sustainable development. As a result, they radically changed the CSR towards greater accountability to stakeholders.

*I think a lot has to do with leadership. The leadership is very strong and it is very visionary. The person who has external exposure and sees other companies in the Western world which are flourishing: they take that and bring it back to their own country and company. So, it has to be a visionary who understands that there is a lot of gain through CSR. And those who are not doing CSR actually do not go to those platforms and interchange ideas with others (NGO 05).*

The narratives of the interviews also argue that the regulatory framework and monitoring would not work efficiently unless there are skilled leaders who have willingness to CSR towards greater stakeholders' perspective. There were also views to conceptualise Bengali culture while formulating CSR policy.

### **Concluding comments**

This paper addresses a gap in the CSR literature by exploring less economically powerful non-managerial stakeholders' perceptions and demands for administrative and institutional reform towards greater corporate accountability. The paper particularly has drawn on Owen's et al., (1997) suggested administrative and institutional reforms (later used by Owen et al., 2001; O'Dwyer et al., 2005; and Cooper and Owen 2007) to explore stakeholder demand for CSR in a developing country to ensure greater transparency and accountability through less economically powerful stakeholder engagement.

The demand for administrative reform along with institutional supports relate to Bangladeshi specific social and contextual culture, and socio-political influence towards social and environmental compliance. Some general issues have emerged from our analysis indicating MNCs influence on local companies CSR adoption. The interviewees have shared demand for administrative reform

through legislation and mandatory CSR guidelines. Particularly, they are very specific about the corporate governance reform which should include the social and environmental information to the stakeholders. We have demonstrated that stakeholders perceived companies to be more interested in profit, thereby using CSR as a marketing tool. Recognising the benefits of CSR, stakeholder suggests strong implementation of existing regulations (mostly related to social and environmental compliance) along with demand for mandatory guidelines of CSR from government or regulatory authorities. This perspective largely supported by the Bebbington et al., (1999), Gray et al., (1996) and Cooper & Owen (2007) who emphasis the demand for mandatory reporting to improve corporate accountability to stakeholder.

CSR is viewed as a means of social and environmental performance and interviewees in this study suggest more monitoring from respective authorities to ensure social and environmental compliance. This is particularly important to empowering the less powerful stakeholders who has interest on the social and environmental information. Gray (2002) argues that to make companies socially- and environmentally-responsible, continuous enforcement is important, which will help companies to rethink and become environmentally friendly and communicate with stakeholders. It is indicating that companies are overlooking their accountability to stakeholders. This suggests stakeholders' suspicion of corporate true intention to stakeholder accountability. Scholars argue that CSR plays a critical role as a strategic tool to satisfy stakeholders and to legitimise corporate operations to ensure not only the organisation's existence but also corporate accountability (See for example, Guthrie and Parker 1990; Kuasirikun 2005; O'Donovan 2002; Roberts 1992).

Although CSR is mandatory and regulated by laws in some developed countries (Crawford and Williams 2010), in developing countries such as Bangladesh it is yet to be made mandatory. The findings of this study strongly support that it should be mandatory in Bangladesh. The prior literature also suggests mandatory CSR with standardisation of the information disclosed by organisations as a result of increased pressure exerted by various stakeholders (See for example, Lee and Hutchison 2005; Crawford and Williams 2010). In a mandatory environment, the organisations do not have any choice but to ensure that they meet their environmental obligations to the society and its relevant stakeholders. Mandatory social and environmental reporting presents several benefits such as standardised and comparable actions that allow benchmarking and best practices (Hess and Dunfee 2007). However, interviewees from regulators and environmental ministry give preference on the civil regulation, self-understanding and knowledge on CSR. For instance, they believe that regulations will not be effective unless diverse **groups** of stakeholders have knowledge and understanding on CSR (Owen et al., 2001).

The paper makes a number of theoretical contributions in CSR literature. First, the desire for administrative and institutional reforms by stakeholders in Bangladesh will increase the chances of



less economically powerful stakeholder voice to be raised. We argue that effective reforms will allow companies to increase their communication initiative through engaging stakeholder in the CSR process. Second, the paper finds that corporate governance mechanisms play crucial role to the corporate accountability through social and environmental responsible business operations and disclosures. We have demonstrated in this study that stakeholders are demanding re-structuring corporate governance codes and principles include CSR committee, meeting, products/services related social and environmental compliance etc. Third, the study finds that institutional field such as Bangladesh is important as CSR is still an emerging concept and socio-political and contextual factors are influential for CSR development in Bangladesh. For example, despite of a number of regulations related to environmental and social compliance, organisations are reluctant to follow them. Because most of the organisations are somehow controlled or managed by the people, who have strong political linkage thus gives them power to disobey the law (Hossain et al., 2016). Moreover, most of the companies are giving preference on the community issues and based on the stakeholders views we argue that localised social and community issues need to be considered while developing mandatory CSR guidelines.

Finally, the paper suggests institutional reform for the successful administrative reform which is in the line of Cooper and Owen (2007). The stakeholders of this study prefer formal institutional involvement for embracing CSR practices. In this regard, stakeholders urge active participation of two professional bodies, namely the Institute of Chartered Accountants of Bangladesh (ICAB) and the Institute of Cost and Management Accountants Bangladesh (ICMAB) for creating any possible framework for CSR. The current lack of CSR framework from the main regulatory body (such as SEC) results in less pressure or no pressure in the overall CSR in Bangladesh. Scott (1995) suggests that while regulatory pressure may increase CSR practice, it is likely to ensure only relatively superficial compliance. The socio-economic and cultural structures of Bangladesh that offer little stimulus to extend CSR, thus the social and environmental accountability agenda need to be received support through institutions. Momin (2013) argues that social institutions, institutional reform, the media, NGOs and other social pressure groups together can play a strong role in developing the CSR practices in Bangladesh as is expected by the stakeholders in this study.

The findings also have implications to the managers and practitioners as they need to understand the stakeholders' views and expectations towards greater corporate accountability through CSR. We have demonstrated less economically powerful stakeholders' general perceptions on CSR which is particularly important for organisations to conceptualise how stakeholders perceive their CSR efforts. Second, managers can find their drawback towards environmental initiatives and disclosures which will help to develop their environmental policy based on the stakeholders' demand. Third, local contextual factors emerged from stakeholders' perspective might be a basis for

stakeholders' prioritisation and CSR strategy. Many studies have suggested empowering less economically stakeholders such as NGOs, trade unions, media, customers and civil society to achieve the fundamental changes and development of CSR ( Belal and Owen, 2007; Belal, et al., 2015; Hossain et al., 2016). Fourth, the findings of present study suggest that there is a lack of stakeholder engagement initiative among organisations in both developing and developed countries. Standard setters and policy makers (both developed and developing countries) can initiate guidelines for stakeholder engagement and dialogue towards partnership with broader groups of stakeholders that will increase the communication of social and environmental information. It will also establish the right of information of less economically powerful stakeholders. Finally, findings of this study are not only important for Bangladeshi organisations but also for other developing countries sharing the same cultural and institutional norms and values.

The present study is the response of recent calls by O'Dwyer et al., 2005) and Coopers and Owen (2007) who have strongly argued in favour of administrative and institutional reform to give the voice of less economically powerful stakeholders towards CSR and corporate accountability. Future research can emphasise on the in-depth stakeholder engagement of CSR, engaging corporate managers and explore their insightful views. More research needs to be done to explore suitability of administrative and institutional reforms. This study also argues that the views of participants are shaped by their personal beliefs. Future research in this area might help to overcome the limitations of this study.

## References:

- Adams, C., and C. Larrinaga-González. (2007), Engaging with organisations in pursuit of improved sustainability accounting and performance. *Accounting, Auditing & Accountability Journal*, Vol. 20 No. 3, pp. 333-355.
- Adams, C. A. (2002), Internal organisational factors influencing corporate social and ethical reporting: beyond current theorising. *Accounting, Auditing & Accountability Journal*, Vol. 15 No. 2, pp. 223.
- Adams, C. A. (2004), The ethical, social and environmental reporting-performance portrayal gap. *Accounting, Auditing & Accountability Journal*, Vol. 17 No. 5, pp. 731.
- Aguinis, H., and A. Glavas. (2012), What we know and don't know about corporate social responsibility a review and research agenda. *Journal of management*, Vol. 38 No. 4, pp. 932-968.
- Alrazi, B., C. de Villiers, and C. J. Van Staden. (2015), A comprehensive literature review on, and the construction of a framework for, environmental legitimacy, accountability and proactivity. *Journal of cleaner production*, Vol. 102 No. September, pp. 44-57.
- Azim, M. I., S. Ahmed, and S. Islam. (2009), Corporate social reporting practice: evidence from listed companies in Bangladesh. *Journal of Aisa-Pacific Business*, Vol. 10 No. 2, pp. 130-145.
- Bebbington, J., J. Brown, B. Frame, and I. Thomson. (2007), Theorizing engagement: the potential of a critical dialogic approach. *Accounting, Auditing & Accountability Journal*, Vol. 20 No. 3, pp. 356-381.
- Bebbington, J., and R. Gray. (2001), An account of sustainability: failure, success and a reconceptualisation. *Critical Perspectives on Accounting*, Vol. 12 No. 5, pp. 557-587.
- Bebbington, J., R. Gray, and D. Owen. (1999), Seeing the wood for the trees: Taking the pulse of social and environmental accounting. *Accounting Auditing & Accountability Journal*, Vol. 12 No. 1, pp. 47-52.
- Belal, A., and R. Roberts. (2010), Stakeholders' Perceptions of Corporate Social Reporting in Bangladesh. *Journal of Business Ethics*, Vol. 97 No. 2, pp. 311-324.
- Belal, A. R. (1997), Green reporting practices in Bangladesh. *The Bangladesh Accountant*, Vol. January-March pp. 107-115.
- Belal, A. R., and S. Cooper. (2011), The Absence of Corporate Social Responsibility Reporting in Bangladesh. *Critical Perspectives on Accounting*, Vol. 22 No. 7, pp. 654-667.
- Belal, A. R., S. M. Cooper, and N. A. Khan. (2015), Corporate environmental responsibility and accountability: What chance in vulnerable Bangladesh? *Critical Perspectives on Accounting*, Vol. 33 pp. 44-58.
- Belal, A. R., and D. Owen. (2007), The views of corporate managers on the current state of, and future prospects for, social reporting in Bangladesh. *Accounting, Auditing & Accountability Journal*, Vol. 20 No. 3, pp. 472-494.
- Bendell, J. (2005), The accountability of corporate social responsibility. *Development in Practice*, Vol. 15 No. 3, pp. 362-374.
- Boesso, G., and K. Kumar. (2009), Stakeholder prioritization and reporting: evidence from Italy and the US. *Accounting forum*, Vol. 33 No. 2, pp. 162-175.
- Brown, J., and M. Fraser. (2006), Approaches and perspectives in social and environmental accounting: an overview of the conceptual landscape. *Business Strategy and the Environment*, Vol. 15 No. 2, pp. 103-117.
- Brunk, K. (2010), Exploring origins of ethical company/brand perceptions — A consumer perspective of corporate ethics. *Journal of business research*, Vol. 63 No. 3, pp. 255-262.
- Buhr, N., and M. Freedman. (2001), Culture, institutional factors and differences in environmental disclosure between Canada and United States. *Critical Perspectives of Accounting*, Vol. 12 No. 3, pp. 293-322.
- Campbell, D. J. (2000), Legitimacy Theory or Managerial Reality Construction? Corporate Social Disclosures in Marks and Spencer Plc Corporate Reports, 1969-1997. *Accounting forum*, Vol. 24 No. 1, pp. 80-100.
- Cho, C., R. Roberts, and D. Patten. (2010), The language of US corporate environmental disclosure. *Accounting, Organizations and Society*, Vol. 35 No. 4, pp. 431-443.
- Cho, C. H., and D. M. Patten. (2007), The role of environmental disclosures as tools of legitimacy: A research note. *Accounting, Organizations and Society*, Vol. 32 No. 7, pp. 639-647.
- Cooper, S. M., and D. L. Owen. (2007), Corporate social reporting and stakeholder accountability: The missing link. *Accounting, Organizations and Society*, Vol. 32 No. 7, pp. 649-667.
- Crawford, E. P., and C. C. Williams. (2010), Should corporate social reporting be voluntary or mandatory? Evidence from the banking sector in France and the United States. *Corporate Governance*, Vol. 10 No. 4, pp. 512.
- Creswell, J. W. (2007), *Qualitative inquiry and research design: choosing among five traditions* 2nd ed. Thousand Oaks CA: SAGE.

- Daniels, J. D., and M. V. Cannice. (2004), Interview studies in international business research. In *Handbook of qualitative research methods for international business*, edited by R. Marschan-Piekkari and C. Welch. Cheltenham, UK 185-206.
- De Madariaga, J. G., and C. Valor. (2007), Stakeholders management systems: Empirical insights from relationship marketing and market orientation perspectives. *Journal of Business Ethics*, Vol. 71 No. 4, pp. 425-439.
- Deegan, C. (2002), The legitimising effect of social and environmental disclosures—a theoretical foundation. *Accounting, Auditing & Accountability Journal*, Vol. 15 No. 3, pp. 282-311.
- . (2014), *Financial Accounting Theory*. 4th edition ed. Sydney: McGraw-Hills.
- Diefenbach, T. (2009), Are case studies more than sophisticated storytelling?: Methodological problems of qualitative empirical research mainly based on semi-structured interviews. *Quality & Quantity*, Vol. 43 No. 6, pp. 875-894.
- Donaldson, T., and L. E. Preston. (1995), The stakeholder theory of the corporation: concepts, evidence and implications. *Academy of Management Review*, Vol. 20 No. 1, pp. 65-91.
- Farooque, O. A., T. van Zijl, K. Dunstan, and A. K. M. W. Karim. (2007), Corporate governance in Bangladesh: Link between ownership and financial performance. *Corporate governance: An international review*, Vol. 15 No. 6, pp. 1453-1468.
- Flick, U. (2002), *An Introduction to Qualitative Research*. Second edition ed. London: Thousand Oaks and Newdhili : Sage.
- Friedman, A. L., and S. Miles. (2002), Developing stakeholder theory. *Journal of management studies*, Vol. 39 No. 1, pp. 1-21.
- Friedman, M. T., M. M. Parent, and D. S. Mason. 2004. Building a framework for issues management in sport through stakeholder theory. *European Sport Management Quarterly*, Vol. 4 No. 3, pp. 170-190.
- Frost, G. R., and L. English. (2002), Mandatory corporate environmental reporting in Australia: contested introduction belies effectiveness of its application. *Australian Review of Public Affairs Digest*, Vol. November pp.
- Galbreath, J. (2010), How does corporate social responsibility benefit firms? Evidence from Australia. *European Business Review*, Vol. 22 No. 4, pp. 411-431.
- Galbreath, J., and P. Shum. (2012), Do customer satisfaction and reputation mediate the CSR–FP link? Evidence from Australia. *Australian journal of management*, Vol. 37 No. 2, pp. 211-229.
- Gallhofer, S., J. Haslam, and R. Kamla. (2011), The accountancy profession and the ambiguities of globalisation in a post-colonial, Middle Eastern and Islamic context: Perceptions of accountants in Syria. *Critical Perspectives on Accounting*, Vol. 22 No. 4, pp. 376-395.
- Gilham, B. (2005), *Research Interviewing*. New York: McGraw-Hill.
- Glaser, B. G., and A. Strauss. (1967), *The discovery of grounded theory: Strategies for qualitative research*. New York: Aldine de Gruyter.
- Gray, R. (2002), The social accounting project: Privileging engagement, imaginings, new accountings and pragmatism over critique? *Accounting, Organizations and Society*, Vol. 27 pp. 687-708.
- Gray, R. (2006), Does sustainability reporting improve corporate behaviour?: Wrong question? Right time? *Accounting and business research*, Vol. 36 No. 1, pp. 65.
- Gray, R., D. Owen, and C. Adams. (1996), *Accounting and accountability: Changes and challenges in corporate social and environmental reporting*. London: Prentice-Hall.
- Greening, D. W., and D. B. Turban. (2000), Corporate social performance as a competitive advantage in attracting a quality workforce. *Business & society*, Vol. 39 No. 3, pp. 254-280.
- Guthrie, J., and L. D. Parker. (1990), Corporate social disclosure practice: A comparative international analysis. *Advances in Public Interest Accounting*, Vol. 3 pp. 159-176.
- Haniffa, R. M., and T. E. Cooke. (2005), The impact of culture and governance on corporate social reporting. *Journal of Accounting & Public Policy*, Vol. 24 pp. 391-430.
- Harjoto, M. A., and H. Jo. (2011), Corporate governance and CSR nexus. *Journal of Business Ethics*, Vol. 100 No. 1, pp. 45-67.
- Hess, D., and T. W. Dunfee. (2007), The Kasky-Nike threat to corporate social reporting: Implementing a standard of optimal truthful disclosure as a solution. *Business Ethics Quarterly*, Vol. 17 No. 1, pp. 5.
- Hossain, M. M., M. Alam, A. Hecimovic, M. A. Hossain, and A. C. Lema. (2016), Contributing barriers to corporate social and environmental responsibility practices in a developing country: A stakeholder perspective. *Sustainability Accounting, Management and Policy Journal*, Vol. 7 No. 2, pp. 319-346.
- Hossain, M. M., M. Alam, M. A. Islam, and A. Hecimovic. (2015), Do stakeholders or social obligations drive corporate social and environmental responsibility reporting? Managerial views from a developing country. *Qualitative Research in Accounting & Management*, Vol. 12 No. 3, pp. 287-314.

- Inam, H. 1995. Bangladesh faces threat of ecological catastrophe. *The Bangladesh Observer*, 8 April.
- Islam, M., and C. Deegan. (2010), Media Pressures and Corporate Disclosure of Social Responsibility Performance: A Case Study of Two Global Clothing and Sports Retail Companies'. *Accounting and business research*, Vol. 40 No. 2, pp. 131-148.
- Islam, M., and S. Dellaportas. (2011), Perceptions of corporate social and environmental accounting and reporting practices from accountants in Bangladesh. *Social Responsibility Journal*, Vol. 7 No. 4, pp. 649-664.
- Islam, M. A., and C. Deegan. (2008), Motivations for an organisation within a developing country to report social responsibility information: Evidence from Bangladesh. *Accounting, Auditing & Accountability Journal*, Vol. 21 No. 6, pp. 850-874.
- Kelly, M. (2001), *The divine right of capital: Dethroning the corporate aristocracy*. San Francisco, CA: Berrett-Koehler.
- Khan, A., B. Muttakin, and J. Siddiqui. (2012), Corporate Governance and Corporate Social Responsibility Disclosures: Evidence from an Emerging Economy. *Journal of Business Ethics*, Vol. May, 2012 pp.
- Kim, C., K. Amaeshi, S. Harris, and C. J. Suh. (2013), CSR and the national institutional context: The case of South Korea. *Journal of business research*, Vol. 66 No. 12, pp. 2581-2591.
- Kolk, A., and J. Pinkse. (2006), Stakeholder mismanagement and corporate social responsibility crises. *European management journal*, Vol. 24 No. 1, pp. 59-72.
- KPMG. 2008. KPMG International survey of corporate responsibility reporting 2008. Amsterdam, The Netherlands.
- KPMG. 2013. *KPMG Survey of Corporate Responsibility Reporting 2013* 2013 [cited December 20, 2013]. Available from <http://www.kpmg.com/global/en/issuesandinsights/articlespublications/corporate-responsibility/pages/default.aspx>.
- Kuasirikun, N. (2005), Attitudes to the development and implementation of social and environmental accounting in Thailand. *Critical Perspectives on Accounting*, Vol. 16 No. 8, pp. 1035-1057.
- Kuasirikun, N., and M. Sherer. (2004), Corporate social accounting disclosure in Thailand. *Accounting, Auditing & Accountability Journal*, Vol. 17 No. 4, pp. 629.
- Larrinaga-Gonzalez, C., F. Carrasco, C. Correa, F. Llana, and J. Moneva. (2002), Accountability and accounting regulation: the case of the Spanish environmental disclosure standard. *European accounting review*, Vol. 11 No. 4, pp. 723-740.
- Lee, T. M., and P. D. Hutchison. (2005), The decision to disclose environmental information: A research review and agenda. *Advances in accounting*, Vol. 21 No. 1, pp. 83.
- Lincoln, Y. S., and E. A. Guba. (1985), *Naturalistic inquiry*. Beverly Hills, CA: SAGE Publications.
- Lodhia, S. K. (2003), Accountants' responses to the environmental agenda in a developing nation: an initial and exploratory study on FIJI. *Critical Perspectives on Accounting*, Vol. 14 No. 7, pp. 715-737.
- Mason, M. (2010), Sample Size and Saturation in PhD Studies Using Qualitative Interviews. *Forum: Qualitative Social Research*, Vol. 11 No. 3, pp.
- Matten, D., and J. Moon. (2008), "Implicit" and "Explicit" CSR: A Conceptual Framework for a Comparative Understanding of Corporate Social Responsibility. *The Academy of Management Review*, Vol. 33 No. 2, pp. 404-424.
- Miles, M., and A. Huberman. (1994), *Qualitative data analysis*. 2nd ed. Thousand Oaks: Sage Publications.
- Mitchell, R. K., B. R. Agle, and D. J. Wood. (1997), Toward a theory of stakeholder identification and salience: defining the principle of who and what really counts *Academy of Management Review*, Vol. 22 No. 4, pp. 853-886.
- Mobus, J. L. (2005), Mandatory environmental disclosures in a legitimacy theory context. *Accounting, Auditing & Accountability Journal*, Vol. 18 No. 4, pp. 492.
- Momin, M. (2013), Social and environmental NGOs' perceptions of Corporate Social Disclosures: The Case of Bangladesh. *Accounting forum*, Vol. 37 No. 2, pp. 150-161.
- Momin, M. A., and L. D. Parker. (2013), Motivations for corporate social responsibility reporting by MNC subsidiaries in an emerging country: The case of Bangladesh. *The British Accounting Review*, Vol. 45 No. 3, pp. 215-228.
- Money, K., and H. Schepers. (2007), Are CSR and corporate governance converging?: A view from boardroom directors and company secretaries in FTSE100 companies in the UK. *Journal of general management*, Vol. 33 No. 2, pp. 1-11.
- Neu, D., H. Warsame, and K. Pedwell. (1998), Managing public impressions: Environmental disclosures in annual reports. *Accounting, Organizations and Society*, Vol. 23 No. 3, pp. 265-282.
- O'Dwyer, B. (2003), Conceptions of corporate social responsibility: the nature of managerial capture. *Accounting, Auditing & Accountability Journal*, Vol. 16 No. 4, pp. 523.

- O'Dwyer, B., J. Unerman, and J. Bradley. (2005), Perceptions on the emergence and future development of corporate social disclosure in Ireland. *Accounting, Auditing & Accountability Journal*, Vol. 18 No. 1, pp. 14.
- O'Donovan, G. (2002), 'Environmental disclosures in the annual report: extending the applicability and predictive power of legitimacy theory. *Accounting, Auditing & Accountability Journal*, Vol. 15 No. 3, pp.
- Öberseder, M., B. Schlegelmilch, and P. Murphy. (2013), CSR practices and consumer perceptions. *Journal of business research*, Vol. 66 No. 10, pp. 1839-1851.
- Owen, D., R. Gray, and J. Bebbington. (1997), Green accounting: cosmetic irrelevance or radical agenda for change? *Asia-Pacific Journal of Accounting*, Vol. 4 No. 2, pp. 175-198.
- Owen, D., T. Swift, and K. Hunt. (2001), Questioning the Role of Stakeholder Engagement in Social and Ethical Accounting, Auditing and Reporting. *Accounting forum*, Vol. 25 No. 3, pp. 264-283.
- Peters, B. G. (1997), Policy transfers between governments: the case of administrative reforms. *West European Politics*, Vol. 20 No. 4, pp. 71-88.
- Rao, K. K., C. A. Tilt, and L. H. Lester. (2012), Corporate governance and environmental reporting: an Australian study. *Corporate Governance*, Vol. 12 No. 2, pp. 143-163.
- Rinaldi, L., J. Unerman, and C. Tilt. (2014), The role of stakeholder engagement and dialogue within the sustainability accounting and reporting process. *Sustainability accounting and accountability (2nd ed.)*, Routledge, Abingdon, Vol. pp. 86-107.
- Roberts, P. W., and G. R. Dowling. (2002), Corporate reputation and sustained superior financial performance. *Strategic Management Journal*, Vol. 23 No. 12, pp. 1077-1093.
- Roberts, R. W. (1992), Determinants of corporate social responsibility disclosure: an application of stakeholder theory. *Accounting, Organisations and Society*, Vol. 17 No. 6, pp. 595-612.
- Rodríguez, P., D. S. Siegel, A. Hillman, and L. Eden. (2006), Three lenses on the multinational enterprise: politics, corruption, and corporate social responsibility. *Journal of International Business Studies*, Vol. 37 pp. 733-746.
- Scott, W. R. (1995), *Institutions and Organizations*. CA: Sage: Thousand Oaks.
- Siddiqui, J. (2010), Development of corporate governance regulations: the case of an emerging economy. *Journal of Business Ethics*, Vol. 91 No. 2, pp. 253.
- Tilt, C. A. (2007), *External stakeholders' perspectives on sustainability reporting*. edited by J. Unerman, J. Bebbington and B. O'Dwyer. London and New York: Taylor and Francis Group.
- Transparency International. *Corrupt political elites and unscrupulous investors kill sustainable growth in its tracks, highlights new index 2012* [cited 2nd August, 2012. Available from <http://www.transparency.org>.
- Uddin, S. (2009), Rationalities, domination and accounting control: A case study from a traditional society. *Critical Perspectives on Accounting*, Vol. 20 No. 6, pp. 782-794.
- Uddin, S., and T. Hopper. (2003), Accounting for Privatisation in Bangladesh: Testing World Bank Claims. *Critical Perspectives on Accounting*, Vol. 14 pp. 739-774.
- Unerman, J., and J. Bebbington. (2007), *Stakeholder engagement and dialogue*. edited by J. Unerman, Bebbington, J, and O'Dwyer, B. Abingdon: Routledge.
- Unerman, J., and M. Bennett. (2004), Increased stakeholder dialogue and the internet: towards greater corporate accountability or reinforcing capitalist hegemony? *Accounting, Organizations and Society*, Vol. 29 No. 7, pp. 685-707.
- Wheeler, D., B. Colbert, and R. E. Freeman. (2003), Focusing on value: Reconciling corporate social responsibility, sustainability and a stakeholder approach in a network world. *Journal of general management*, Vol. 28 No. 3, pp. 1.
- White, S. C. (1999), NGOs, civil society, and the state in Bangladesh: the politics of representing the poor. *Development and Change*, Vol. 30 pp. 307-326.
- Yin, R. K. (2003), *Case study research: design and methods*. 3rd edition ed. Thousand Oaks:CA: Sage

**Table I: Profile of interviewees**

Interviewees ID	Classification of interviewees	Number of interviews
RA1-RA5	Regulatory authorities (e.g. Environmental ministry, Bangladesh Bank, Dhaka Stock Exchange, and Securities & Exchange Commission of Bangladesh)	5
PM1-PM3	Print media representative	3
EM1-EM3	Electronic media ( Chief reporter of social and environmental issues)	3
NGO1-NGO6	Non-government organisations include social movement group	6
TU1-TU3	Trade union leaders	3
ER1-ER3	Employees working in different sectors	3