Available online at www.sciencedirect.com

ScienceDirect

Procedia Technology 8 (2013) 112 – 121

Procedia Technology

6th International Conference on Information and Communication Technologies in Agriculture, Food and Environment (HAICTA 2013)

Company Characteristics and Human Resource Disclosure in Greece

Vazakidis Athanasios[a], Stavropoulos Antonios[a], Galani Despina[a,]*

[a]*University of Macedonia, Egnatias 156, Thessaloniki 54006, Greece*

Abstract

This paper reports the results of a study on human resource disclosure in Greece. It investigates the extent to which Greek companies disclose information about human resource in their annual reports and analyzes whether a number of firm characteristics are potential determinants of corporate social responsibility. Once the information was quantified, using regression analysis, the influence of certain company characteristics such as size, industry type, profitability, listing status and GRI guidelines was examined. The results confirm that firms with higher human resource ratings are the listed companies and companies that use the GRI guidelines to prepare corporate social reports. Company size, industry and profitability had no effect on disclosure level.

Selection and peer-review under responsibility of The Hellenic Association for Information and Communication Technologies in Agriculture Food and Environment (HAICTA)

Keywords: Corporate Social Responsibility; Greece; GRI Guidelines; Human Resource Disclosure

1. Introduction

Although disclosures on human resources have increased in recent years there still exists a wide variety in the disclosure level between companies. For over two decades, the voluntary disclosure of CSR information by companies has become increasingly important issue of academic researchers in many countries. Firstly, voluntary corporate social responsibility (CSR) reporting was mostly restricted to firms from industrialized countries. Today, empirical studies show that human resource communication is becoming common in non-industrial sectors and different regions in the world [18]. However, CSR reporting still continues to be the highest in countries, such as

* Corresponding author. Tel.: +30-6945-974-756; fax: +30-2461-024-364.
E-mail address: ddg97@yahoo.com

Selection and peer-review under responsibility of The Hellenic Association for Information and Communication Technologies in Agriculture Food and Environment (HAICTA)
doi:10.1016/j.protcy.2013.11.016

USA, Japan, Germany, and U.K. and in industries, such as chemicals, pharmaceuticals, electronics and automotive [18]. This study focuses on the Greek setting, because most of the present literature is based on an Anglo-Saxon context, and more specifically on countries such as Australia, New Zealand, the UK and the USA. As a consequence of this relative lack of research on the topic, there is limited understanding on the human resource accounting and reporting practices and evidence should be added about other institutional contexts like countries from continental Europe. In Greece there are many studies investigating determinants of disclosures and compliance with IFRS [1, 6, 3, 27]. As far as we are aware there is currently no published study examining the determinants of corporate voluntary human recourse disclosure of Greek companies. A study of Greece could make a significant contribution to the human recourse reporting literature in the context of European countries. Therefore, this study presents an attempt to address this gap in the literature by analyzing whether the specific features of Greek companies result in a significant difference between the factors influencing human recourse disclosure practices of Greek firms when compared to firms from other different institutional contexts. Also, this study will examine if Greece is ready to conform to the European Recommendation and adopt accounting legislation for mandatory disclosure of human recourse information in companies' annual reports. The remainder of this paper is organized as follows: Section 2 reviews previous research on human recourse accounting disclosures. Section 3 develops the study's hypothesis. Section 4 outlies the research method employed in the study. Section 5 reports the empirical results and, finally, section 6 summarizes the main conclusions of the paper and discusses its limitations.

2. Literature Review

CSR reporting remains voluntary in the European Union countries. However, some individual countries of the EU have taken a more proactive approach. In May 2001 France became the first country in the world to require public companies to issue CSR reports [25]. In France, since 2001 all of the companies quoted on the stock exchange must have submit information on their social and human resource activities in their annual financial statements. In the United Kingdom such a requirement has functioned since 2007. In Denmark as from 2010, the biggest public and private companies and institutional investors have been obliged to submit sustainability reports. In 2008, Denmark passed a mandatory CSR reporting law where the largest 1100 Danish public companies must explicitly report on their work with CSR. Sweden since 2009 has obliged public companies to issue sustainability reports consistent with the GRI guidelines. Sweden was the first country in the world to require CSR reports from all state-owned companies and in 2007 the Swedish government announced its commitment to require state-owned companies to present CSR reports based on the Global Reporting Initiative (GRI) guidelines. Also Spain as from 2012, for public companies and firms employing more than 1,000 introduces mandatory CSR reporting [10]. In 2009, the Norwegian government published a white paper on CSR that was endorsed by the Norwegian Parliament and lays the groundwork for further government driven CSR initiatives. And the Finnish government has been described as ''very active'' in regards to promoting CSR. KPMG International conducts a survey every three years "to gain insight into CSR reporting and to contribute to the evolving global dialog on transparency and accountability"[16]. In 2008 the survey showed that 79% of the top 250 companies of the Fortune 500 (Global 250) issued separate non-financial reports, compared with 52% in 2005. In 2011, 95 percent of the 250 largest global companies report on their CR activities [17]. The report shows that the level of disclosure changes along countries and industries as well. These differences might be originated by regulation, since in some countries like Australia, Japan and UK, there are rules requiring disclosure, while in others, companies report on a voluntary basis. Besides regulation, the level of adoption of the rules depends on the role of enforcement [13]. Companies in a country with low levels of enforcement will be slower in adopting a rule than companies in more punitive countries. Radical changes in European business environment and in Corporate Social Responsibility practices, is expected to bring the new European Commission Directive 2011/0308 (COD). The new Directive requires large and / or listed companies to publish data about their environmental and social actions. Among the objectives of the new Directive is to increase the clarity and comparability of companies' financial statements. The Directive is going to be applied in all countries of the European Union and is expected to be adopted directly by the Greek parliament. Therefore it is required to include environmental and social indicators and information in the annual financial reports. To meet this demand, large companies worldwide publish one Corporate Social Responsibility (CSR) report. The Report is prepared in accordance with the indicators of international standard GRI-G3.1 issued by the Agency Global

Reporting Initiative. In Greece, many large companies have long been issuing Corporate Social Responsibility, which means they now have a clear competitive advantage in society compared with companies that haven't done it or do it piecemeal. According to a recent global survey of KPMG, only 33% of large enterprises in Greece prepare disclosure Sustainability Reports [17]. This means that companies that haven't incorporated the concept of CSR in their business strategy will be required to do it in the near future.

3. Hypothesis Development

3.1. Size

The idea that larger companies have greater social reputation and the agency and political cost are higher [15] is the reason for considering this variable in most research on voluntary and mandatory disclosure. Particularly, a number of studies over the past decades test the influence of firm size on the level of disclosure. Most researchers report a positive relationship between company size and the extent of disclosure in both developing and developed countries [24,5]. Similarly, a number of studies test the influence of firm size on corporate social disclosures and find that there is a positive association between the size of the company and the corporate social disclosure [4,12]. There are several reasons in the literature in an attempt to support this positive association. Firstly, the cost of accumulating and generating certain information is greater for small firms than large firms. Small companies may not be able to afford such costs from their resource base. Larger companies might have sufficient resources to afford the cost of producing information for the user of annual report. Secondly, the agency cost is higher for large firms because shareholders are widespread and in that way, disclosing more information reduce the potential agency cost [28]. Additionally, these firms might publish more information in their reports to supply information relevant to different users. Thirdly, larger companies may tend to disclose more information than smaller companies in their annual reports due to their competitive cost advantage [18]. Hence, small companies disclose less information than large companies. The size of the company is operationalized using a number of measures, such as turnover, sales, revenues, total assets and number of employees. This study employees the logarithm of sales for 2009 as the firm size variable. Hence, the discussion above leads us to the hypothesis that: H1 - There is a positive significant relationship between firm size and human resource disclosure.

3.2. Industry Membership

The industry type has been identified by many theoretical and empirical researchers as an important factor of voluntary disclosures. Above all, corporate social disclosure is considered to be highly depending on the sector the company belongs to. Different industries have different characteristics, which may relate to risks to society, potential growth, employment opportunities, competition and government interference. For instance, corporations from environmental sensitive industries tend to disclose more environmental information than companies from non-environmental sensitive industries [11]. The underlying assumption is that, due to their higher pollution propensity, environmental sensitive industries are the subject of a wide range of environmental regulations and, consequently, companies belonging to these industries are perceived as environmental damaging and, therefore, they face greater pressures from their stakeholders related to environmental concerns than those firms operating in industries considered not to be human resource sensitive. As a result, if they do not disclose environmental information, it could be interpreted by their stakeholders as a signal of bad environmental performance [20]. Therefore, they have incentives to disclose environmental information [11]. The industry variable in the present study is measured as a dichotomous classification of industries into high-profile and low-profile industries. Roberts (1992) defines high-profile industries as those with consumer visibility, a high level of political risk, or concentrated intense competition, and suggests prior studies which include industry may have captured a systematic relationship between such characteristics and social responsibility activities. The previous discussion suggests that there may be a positive relationship between the extent of disclosure of corporate social information and industry membership. This study divides industries into two categories, high profile companies and low profile companies, for the purpose of analysis. The companies belong to first category are assigned "1", otherwise "0". Consistent with previous literature [11], companies included in the capital goods, energy and construction sectors were considered to be high profile and firms in the consumer goods, financial services, communications and market services sector as low profile companies. The following hypothesis examines whether high profile companies provide more information than low profile companies. Hence, the discussion above leads us to the hypothesis that: H2 There is a positive significant relationship between industry environmental profile and human resource disclosure.

3.3. Profitability

In the literature, the results show a positive effect between profitability and social disclosure policy [2,23]. It should be noted that some researchers do not confirm that positive relationship [23]. According to [2], the underlying cause of a positive relationship between social disclosure policy and profitability is management's knowledge. A management that has the knowledge to make a company profitable also has the knowledge and understanding of social responsibility, which leads to more social and human resource disclosures. In the context of the agency and political cost theories, [8] points out that management in very profitable corporations provide more detailed information in order to support their own position and compensation. Highly profitable companies will disclose more information to reduce agency costs, to avoid giving bad signs to the market and to justify earnings to avoid political costs [8]. [24] argues that when profitability is high and the company achieves a high margin of profit, the managerial groups are motivated to disclose more information in order to show off good reputation to the consumers, shareholders, investors and other stakeholders. On the other hand, if the profitability is low or the company suffers losses, they may disclose less information in order to cover the reasons for such losses or declining profits. [22] point to the fact that profitable corporations are more exposed to political pressure and public scrutiny, and therefore use more self-regulating mechanisms, for instance voluntary disclosure of information, in order to avoid regulation. The most obvious and explicit explanation might be that profitable corporations have the necessary economical means – the so-called organizational slack [11]. In a corporation with less economical resources, management will probably focus on activities that have a more direct effect on the corporation's earnings than the production of social and human resource disclosures [23]. However, from a legitimacy theory perspective, profitability can be regarded to be either positively or negatively related to CSR disclosure [21]. Thus, we do not make any a priori assumption about the sign of the association between human resource disclosure and profitability. Therefore, it is interesting to study the impact of profitability on the depth of human resource disclosures. Profitability can be measured employing different indicators. In this sense, the three measures that have frequently been used in the majority of the studies on this subject as proxies of profitability are return on revenues, return on total assets and return on equity [14]. In this study we have considered as an independent variable representing profitability the return on equity in 2009, which is calculated as the ration of the net income (income after tax) and equity capital in 2009. Based on some of the previous studies, the H3 purports that: H3- There is a significant relationship between profitability and human resource disclosure.

3.4. Quotation on the Stock Market

There are a few studies that have investigated the relation between social disclosures and quotation on the stock market [19, 20]. The study of [20] focuses on the human resource disclosures as made in the annual reports by a sample of 109 large firms operating in Portugal during the period 2002-2004 indicated that companies, listed on the stock market, are positively and statistically related to the extent of human resource disclosure. On the other hand, in the context, it seems that there are no significant differences as regards human resource disclosure between large quoted and non-quoted companies [20]. In Greece, the Athens Stock Exchange does not specifically require listed companies to disclose social information. Generally, annual reports of listed companies are under the spotlight of regulators, investors and the press and this influence company's social disclosure practices and the depth of disclosed social information. Considering that firms that are listed on the stock market disclose more human resource information than non-listed companies, we state the following hypothesis: H4 - Listed companies disclose more human resource information in their annual report than non-listed companies.

3.5. GRI Reporting

Generally, there is a change in the way companies report corporate social responsibility practices. From initially using a section in the annual report, companies are moving to stand-alone reports [16]. Last years, institutions such as the Global Reporting Initiative (GRI) have elaborated guidelines for preparing social or sustainability reports. Many Greek companies use this guideline as a framework to build their social reports. KPMP survey shows that 80 per cent of G250 companies are now aligning to GRI reporting standards [17]. GRI develops reporting guidelines using a global consensus-seeking process that involves reporting organizations such as companies, as well as report readers and users like employees and investors. GRI issued its first set of guidelines in 2000, the second in 2002 (known as G2 guideline), and the third in late 2006 -G3 Guideline (KPMG, 2008). A sustainability report according to GRI guidelines enables companies and organizations to report sustainability information in a way that is similar to financial reporting. Systematic sustainability reporting gives comparable data, with agreed disclosures and metrics. In that way companies improve their reputation. Probably, external stakeholders trust more these companies as they can understand company's true value, tangible and intangible assets. Hence, the discussion above leads us to the hypothesis that: H5 - Companies that implement GRI guidelines disclose more human resource information in their annual reports.

4. Methodology

4.1. Sample

The focus on the largest companies offers a better prospect of finding disclosures, since earlier research suggests that quality of corporate social disclosure is linked to firm size [9]. The target population of biggest Greek companies was selected by following the ICAP list of top 500 companies. The 'top' is based on size ranking of EBITDA as presented in corporate official financial statements for the year 2009. The final sample included 38 companies which prepare corporate social reports. For the first 100 biggest companies, the one third reports on their corporate responsibility activities using stand-alone reports.

4.2. Disclosure Index Construction and Dependent Variable

A disclosure index was constructed which consists of 11 items of information, in order to identify the factors that may have a significant influence on the disclosure level of human resource information by Greek companies. By referring to the human resource disclosures a list of voluntary disclosures was prepared based on the information that firms supply in their annual reports to shareholders. In order to decide what data to collect, an exploratory analysis was carried out with the aim to obtain a checklist that capture the human resource disclosure items mainly used in earlier studies [9,11]. From the analysis, a checklist was developed including the items which we consider that Greek companies can disclose human resource information in their annual reports. A dichotomous approach to scoring the items was adopted, in which an item scores on if disclosed and zero if not disclosed. This procedure is conventionally termed the unweighted approach, and it was adopted for the study as other researchers have used it successfully [5]. Thus, the unweighted disclosure method measures the corporate human resource disclosure scores (EDS) of a company as additive [5] as follows:

$$HRDS = \sum_{t=1}^{n} \frac{d_i}{d} \tag{1}$$

Where, d= 1 if item d1 is disclosed, zero, if the item d1, is not disclosed; n=number of items which might be disclosed by a sample company; d=maximum number of items. In the unweighted disclosure index it is assumed that all companies are identical and, therefore, no difference need exist in disclosure requirements. Thus, all items of information in the index are considered equally important to the average user. This approach has been employed in prior study of [12]. Finally, we have calculated the value of HRDS of each firm as the ratio of the computed total disclosure score to the maximum number of points that is possible to obtain. The human resource disclosure score (HRDS) is then expressed as a percentage.

4.3. Model Development

The estimated multiple linear regression model employed to test the relationship between specific-related variables and the level of human resource disclosure is: $HRDS= b_o+b_1SIZE+b_2IND+b_3PROF+b_4LIST+b_5GRI+ e$, where: HRDS: Human Disclosure Score (LOG), bo: Intercept, SIZE: Log of Total Revenues, IND: industry, dummy variable whose value is 1 if the company belongs to a critical industry and 0 in the contrary case, PROF: profitability, ratio of net income to equity, LIST: quotation on the stock market, dummy variable whose value is 1 if the company is listed on the Greek stock market and 0 otherwise, GRI: GRI guidelines, dummy variable whose value is 1 if the company prepares the annual reports according to GRI guidelines and 0 otherwise, e: residual errors. As mentioned above, a positive or negative relationship is predicted between the HRDS and independent variables.

4.4. Descriptive Statistics

Table 1: Human resource items

HUMAN RECOURSE DISCLOSED INFORMATION	NUMBER OF COMP.	RELAT. FREQ.
Total number and rate of employee turnover	12	31,58%
Benefits provided to full-time employees	7	18,42%
Percentage of employees covered by collective bargaining agreements.	18	47,37%
Rate of injury, fatalities and lost days	12	31,58%
Programs in place to assist workforce members and their families regarding serious diseases	20	52,63%
Health and safety topics covered in formal agreements with trade unions	22	57,89%
Average hours of training per year per employee	12	31,58%
Programs for skills management and lifelong learning	20	52,63%
Percentage of employees receiving regular performance and career development reviews.	16	42,11%
Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership	14	36,84%
Ratio of basic salary and remuneration women to men by employee category	22	57,89%
NUMBER OF COMPANIES	38	

Table 1 synthesizes the descriptive statistics for the overall dependent variable used in this study. In addition, it compiles information on the relative frequencies of the specific human recourse items which form the human resource disclosure index. With regard to human resource items, on average, companies report 7 out of 11 items considered, with minimum value 1 item and maximum value 11 items. Analysis of the frequencies of the 11 items comprising the human recourse disclosure index yields the following significant frequencies. The focus of the disclosures was on themes “Ratio of basic salary and remuneration women to men by employee category, by significant locations of operation.” (22 companies, 56%), Health and safety topics covered in formal agreements with trade unions (22 companies, 56%), “Programs in place to assist workforce members, their families, or community members regarding serious diseases” (20 companies, 51%), “Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings. ” (20 companies, 51%). The items with the lowest score were the “benefits provided to full-time employees”. Only 7 companies disclose this kind of information in the corporate social reports with the percentage reaches at 18%. One third of the companies disclose information in relation to “Total number and rate of employee turnover”, “Rate of injury, fatalities and lost days”, “Average hours of training per year per employee”.

Descriptive statistics shows a high variability in human resource disclosure practices across Greek companies, as the total score rating varies from 8% to 92%. The mean disclosure score is 61%, so we can assert that the degree of information on human resource disclosure is still rather low. Table 2 provides descriptive statistics for dummy variables, GRI, industry and listing status. According to the data for GRI reporting, companies with the most influence on our sample are these that follow the GRI guidelines. Specifically 84.21 per cent of companies are aligning to GRI reporting. Only 6 companies (15.79% of the sample) do not follow the GRI guidelines and follow company developed criteria. About a 55% of the companies belong to sensitive industry and the 53% are listed companies.

Table 2: Descriptive statistics for dummy variables

	FREQUENCY	RELATIVE FREQUENCY
GRI	32	84,21%
NOT GRI	6	15,79%
IND	21	55,26%
NOT IND	17	44,74%
LISTED	20	52,63%
NOT LISTED	18	47,37%

The means of disclosure index of the three dummy variables (gri, listing status and industry type) were testing by using Mann-Whitney and t-tests (both tests relate to two-tailed at 5 percent). The results showed no significant difference between the means of disclosure index in terms of industry type. By using Mann-Whitney test, on the other hand, there is a statistical difference between the means of disclosure and listing status and disclosure and GRI guidelines. The disclosure score is equal to 61% (table 3). Applicable information disclosed, ranged from 8% to 92%. The low amount of voluntary information disclosed in the body of social corporate reports could be explained on the basis that this type of information is voluntary in nature, and no effective regulation enforce firms to reveal it.

5. Multivariate Analysis and Empirical Results

The results of the multiple regression analysis of the association between the company characteristics and the human resource disclosure in the corporate social reports of a sample of listed companies shows that the F-ratio is 11.042 (p=0.000). The result statistically supports the significance of the model. The model’s explanatory power is relatively high, with an adjusted R^2 measure of 0.569, which is a respectable result, implies that independent variables explain 56.9 percent of the variance in human resource disclosure index.

From the five independent variables proposed to test the hypotheses (table 3), two of them, listing status and GRI reporting, turn out to be statistically significant for a confidence level of 95 per cent. Both display a positive effect on the dependent variable. The remaining independent variables have a statistically non-significant effect. Some comments on the results of regression as exhibited in table 6 are the following:

Table 3: Multiple regression coefficients

		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	-9,016	27,688		-,326	,747		

SIZE	3,648	4,444	,115	,821	,418	,582	1,718
PROF	13,127	26,981	,060	,487	,630	,748	1,337
LIST	14,349	6,417	,272	2,236	,032	,767	1,303
GRI	47,906	8,621	,697	5,557	,000	,721	1,387
IND	-2,351	6,867	-,044	-,342	,734	,681	1,469

GRI: Similarly, the regression results show a significant positive association between human resource information and GRI reporting, suggesting that companies that implement GRI guidelines disclose more human resource information in their annual reports. This factor that influences the level of human resource information has not been considered from previous studies. This positive significant association due to the fact that the GRI guidelines set out some specific principles and indicators that a company can use to measure and report its economic, environmental, and social performance. Overall, the GRI intends to develop a voluntary reporting framework that tries to promote sustainability reporting practices to a level equivalent to that of financial reporting in rigor, comparability, above all its universal recognition. GRI's Sustainability Reporting Framework enables all companies and organizations to measure and report their sustainability performance. By reporting transparently and with accountability, organizations can increase the trust that stakeholders have in them, and in the global economy. A sustainability report according to GRI guidelines enables companies and organizations to report sustainability information in a way that is similar to financial reporting. Systematic sustainability reporting gives comparable data, with agreed disclosures and metrics. In that way companies improve their reputation. Probably, external stakeholders trust more these companies as they can understand company's true value, tangible and intangible assets.

Listing status: According to the findings obtained through the regression analysis, the hypothesis concerning listing status and GRI reporting provide an acceptable basis for explaining the extent to which Greek companies disclose human resource information in their social reports. This means that listed companies tend to disclose more human resource information than non listed companies. These findings are consistent with the theoretical predictions of agency theory. Listing on the ASE (Athens Stock Exchange) implies more shareholders and more potential conflicts between managers (as agents) and capital providers (as principals). This can create higher agency costs which decrease the value of the company for both groups. An explanation can be that managers of listed companies try to reduce agency costs by disclosing more information in the social reports. This happens because they want to assure their shareholders and the market in general that they are not exploiting their positions for personal gains. Moreover listed companies may disclose more information because they have already gathered and published information as a result of IFRS compliance. Thus, the cost for listed companies, to prepare social reports, is less than the cost for non listed companies which are not obliged to prepare their financial statements according to IFRS.

Profitability: In this study, another factor that has been considered not to have an influence on human recourse information is profitability. Similarly, they provide support to several authors' arguments that there is not a significant association between the companies' financial profitability and the extent to which they disclose human recourse information [19, 11, 20]. Also, the results are consistent with the study of [19] which reports no statistically significant differences between listed and non-listed firms in relation to their decision to disclose human recourse information. Specifically, firm size coefficient shows that this variable is significantly positively

Company size: In the present study, a factor that has been considered not to have an influence on human recourse information is company size. These results are not in line with prior studies that reports a positive association between the size of the company and the corporate social disclosure [4]. This means that large firms do not disclose more human resource information than small ones.

Industry type: As far as industry type in concerned, descriptive statistics provides evidence that industry companies exhibit higher disclosure levels than non industry companies. However this association between industry companies and human resource disclosure level is not significant. Thus it is concluded that there is no evidence that industry type is associated with disclosure level.99333

6. Conclusion

The goal of this study is to analyze whether a number of company characteristics are potential determinants of human resource disclosure practices by Greek firms. It examines the human resource disclosure level of 38 companies that prepare stand-alone corporate social reports. The study has reported the results of multiple linear regression to test the association between a number of corporate attributes and the extent of human resource disclosure in company annual social reports. The extent of human resource disclosure was measured using unweighted human resource disclosure index. The explanatory variables considered in this study were firm size, profitability, quotation on the stock market, industry membership and GRI reporting.

The results revealed that only two out of five testable hypotheses are supported by the results. The results showed that corporate human resource disclosure levels are associated with some company characteristics. For Greek companies, the variables that were found to be significant in determining disclosure levels are the listing status and the GRI reporting. This means that Greek companies that are listed in the Athens Stock Exchange and follow the GRI guidelines disclose more human resource information in their corporate social reports. However, neither size and profitability nor industry seem to explain differences in human resource practices between Greek firms. The most influential variable for explaining firms' variation in human resource ratings is GRI reporting followed by listing status. The significance of GRI reporting is evidence that Greece should develop human resource compulsory standards in order to disclose human resource information in their annual reports. A mentioned above, GRI's Sustainability Reporting Framework enables all companies and organizations to measure and report their sustainability performance. By reporting transparently and with accountability, organizations can increase the trust that stakeholders have in them, and in the global economy. A sustainability report according to GRI guidelines enables companies and organizations to report sustainability information in a way that is similar to financial reporting. Systematic sustainability reporting gives comparable data, with agreed disclosures and metrics. In that way companies improve their reputation. Probably, external stakeholders trust more these companies as they can understand company's true value, tangible and intangible assets. Moreover, the findings evidence that listed companies tend to disclose more human resource information than non listed companies. Therefore, it seems that the agency theory, as captured by this variable, is the most relevant theory for explaining human resource disclosures of Greek companies. Listing on the ASE (Athens Stock Exchange) implies more shareholders and more potential conflicts between managers and capital providers. This can create higher agency costs which decrease the value of the company for both groups. As a result managers of listed companies try to reduce agency costs by disclosing more information in the social reports. This happens because they want to assure their shareholders and the market in general that they are not exploiting their positions for personal gains. Additionally, listed companies may disclose more information because they have already gathered and published information as a result of IFRS compliance [26].

This study suffers from limitations that could be addressed in future work. The research covers a single year and a single country in order to understand the nature of variations of overall disclosure. Additional research is needed to assess the trends of human resource disclosure and to know whether the quality of disclosure has improved over time.

References

[1] Athianos, S., Vazakidis, A. and Dritsakis, N. How the adoption of international accounting standards affects financial statements: the case of early adoption by Greek listed companies. International Review of Applied Economic Research 2006;1(2):205-220.

[2] Belkaoui, A. and Karpik, P.G. Determinants of the Corporate Decision to Disclose Social Information. Accounting, Auditing & Accountability Journal 1989;2(1):36–51.

[3] Bellas, A., Toudas, K. and Papadatos, C. The consequences of applying International Accounting Standards (IAS) to the financial statements of Greek companies. 30th Annual Congress of European Accounting Association, 25-27 April, Lisbon, Portugal; 2007.

[4] Bozzolan, S., Favotto, F., Ricceri, F. Italian annual intellectual capital disclosure: an empirical analysis. Journal of Intellectual Capital 2003;4(4):543-558.

[5] Cooke, T. E. An assessment of voluntary disclosure in the annual reports of Japanese corporations. The International Journal of Accounting 1992;26:174-189.

[6] Floropoulos, I. IFRS. First Time Users: Some Empirical Evidence from Greek Companies. Spoudai: Journal of Economics and Business 2006;56(3):39-70.

[7] Galani D, Gravas E, Stavropoulos A. Company Characteristics and Environmental Policy. Business Strategy and the Environment 2012;21:236–247.

[8] Giner, B. The influence of company characteristics and accounting regulation on information disclosed by Spanish firms. The European Accounting Review 1997;6(1):45-68.

[9] Gray, R. K. Corporate social and environmental reporting. A review of the literature and a longitudinal study of UK disclosure. Accounting, Auditing, Auditing and Accountability Journal 1995;8(2):47-77.
[10] Hąbek, P. Sustainability report. Disclosure the impact of business on society and the environment. Scientific Journals 2012;,31(103):83-88.
[11] Hackston, D., Milne, M. Some determinants of social and environmental disclousures in New Zealand companies. Accounting, Auditing and Accountability Journal 1996;9(I):77-108.
[12] Hossain, M. The Extent of Disclosure in Annual Reports of Banking Companies:the Case of India, European Journal of Scientific Research 2008;23(4):660-681.
[13] Ioannou, I., Serafim, G. The Consequences of Mandatory Corporate Sustainability Reporting. Harvard Business School 11-100, Working Paper; 2012.
[14] Jaggi, B., Freedman, M. An examination of the impact of pollution performance on economic and market performance: pulp and paper firms. Journal of Business Finance and Accounting 1992;19(5):697-713.
[15] Jensen MC, Meckling WH. Theory of the firms: managerial behavior, agency costs & ownership structure. Journal of Financial Economics 1976;3:303-360.
[16] KPMG. KPMG International Survey of Corporate Responsibility Reporting 2008. Amsterdam: KPMG International; 2008.
[17] KPMG. International Survey of Corporate Responsibility Reporting 2011.
[18] Lobo, G., Zhou, J. Disclosure quality and earnings management, Paper presented at the 2001 Asia-Pacific. Journal of Accounting and Economics Symposium in Hong Kong; 2001.
[19] Moneva, J. M., Llena, F. Environmental disclosures in the annual reports of large companies in Spain. European Accounting Review 2000;9(1):7-29.
[20] Monteiro, S., Aibar-Guzman, B. Determinants of Environmental Disclosure in the Annual Reports of Large Companies Operating in Portugal. Corporate Social Responsibility and Environmental Management; 2009.
[21] Neu, D., Warsame, H., & Pedwell, K. Managing public impressions: envrironmental disclosures in annual reports. Accounting, Organizations and Society 1998;23(3):265-282.
[22] Ng, E. J., Koh, H. C. An agency theory and probit analytic approach to corporate non-mandatory disclosure compliance". Asia Pacific Journal of Accounting 1994;1(1):29-44.
[23] Roberts, R.W. Determinants of corporate social responsibility disclosure: an application of stakeholder theory. Accounting, Organisations and Society 1992;17(6):595-612.
[24] Singhvi, S. An empirical analysis of the quality of corporate financial disclosure. The Accounting Review 1971;129-138.
Strand, R. The Chief Officer of Corporate Social Responsibility: A Study of Its Presence in Top Management Teams. Journal of Business Ethics 2012;112:721-734.
[25] Tschopp, D. J. Corporate Social Responsibility: A Comparison between the United States and the European Union. Corporate Social Responsibility and Environmental Management 2005;12:55–59.
[26] Vazakidis, A., Athianos, S. Measuring investor’s reaction to the adoption of International Financial Reporting Standards in Greece using a market - based model. American Journal of Economics and Business Administration 2010;2:221-228.
[27] Vazakidis, A., Athianos, S. International accounting standards and source of company finance in Greece. The Southeuropean Review of Business Finance & Acounting 2010;6:33-45.
[28] Watts, R., Zimmerman, J.L. Agency problems, auditing and theory of the firm: some evidence. Journal of Law & Economics 1983;12(26):613-33.