CONSIDERATIONS FOR REPORTING THE PERFORMANCE OF THE SOCIALLY RESPONSIBLE COMPANIES

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Over time, accounting evolved from grounding on financial reports based on economic and financial performance, to the highlighting of issues based on financial, social and environmental aspects, which measures overall performance by integrating financial, social and environmental performance. In this context, economic entities should show interest and consideration in social and environmental issues in order to ensure sustainable development in accordance with the requirements of the EU framework. Corporate social responsibility is an important premise of business, being seen as a source of competitive advantage and a strategic approach to all organizations with economic potential.

Keywords: socially responsible companies, sustainable reporting, environmental balance, social balance, performance.

1. Introduction

The literature and practical experience of the last two decades shows that in the context of globalization and regionalization of the economy, growth of the links among states or segmentation of markets, the development of economic entities (be they small and medium-sized enterprises, multinational corporation or transnational) only on the criterion of cost-effectiveness and sales volume becomes limited, sometimes even impossible. Concept already well-established at international level, corporate social responsibility has become a reality in Romania, being a concept in full production and an important prerequisite for business world.

World Business Council for Sustainable Development describes corporate social responsibility because of the contribution made by an organization to the economic development based on sustainable criteria, which respects the rules and legislation, in other words, "the undertaking business circles to contribute to sustainable economic development, working closely with employees, their families, local community and society as a whole to improve quality of their life".

European Commission, forum with constant interest in this field, defines corporate social responsibility as a phenomenon by which companies decide voluntarily to contribute to a better society and a cleaner environment. As defined by the European Commission, to be socially responsible company must integrate its actions and strategies of social and environmental issues related to the interactions involved .

2. Triple Bottom Line concept

European approach in which concerns CSR, allows operating the concept of sustainable development for businesses. In a practical sense, the term is associated with the concept of social responsibility "triple-bottom-line": economic prosperity, environmental compliance, compliance and improving social cohesion. Development firm, then, is represented by highlighting the following objectives: economic one (creating wealth for all, as detailed production and sustainable consumption), other environmental (conservation and resource management) and third, social (equity and participation of all social groups), as can be seen in Figure 1.
Due to the forefront objective of the socially responsible companies, economic entities obtain a global performance, reflected in financial performance and non-financial performance. Through financial reporting, information is provided on economic and financial performance of an economic entity, the instrument binding conventional accounting.

Currently, reporting financial performance is considered limited compared with market performance, so there is a growing need in terms of non-financial reporting (sustainable).

Triple Bottom Line Reporting – TBL- has become a tool for such information presentation, based on that monitoring social, economic and environmental performance economic entities can better prepare for future opportunities and requirements. (Chirita, 2010)

Triple Bottom Line Reporting affects involvement in the three action areas of performance reporting: economic, social and environmental.

Economic performance is multidimensional, covering aspects of profitability, innovation and quality. Economic and financial performance is assessed through specific indicators such as turnover, profitability, labor productivity, gross profit, net profit, effective use of resources, the annual rate of renewal of fixed capital, return on capital. The relationship between revenues and expenses reported in the income statement under the sign of financial performance.

The size of the average performance of activities refers to the impact of economic entities on the environment, the main instrument through which the alignment with European directives on environmental accounting issues is carried out.

Social performance is outlined by indicators as: relations between employees, labor health and safety and human resources, the report wage / cost of living, elimination of discrimination, the rights of local communities, customer satisfaction. (Rent, 2010)

It is understood that any socially responsible corporation is interested to operate in a cost-effective, but it should be evaluated together with reflection on the positive and negative effects created from socially, economically and environmentally on society in general. Corporate social responsibility refers to how businesses have an impact on their profitability, but also on the behavior and expectations of those involved: employees, shareholders, customers, suppliers, authorities. Figure 2 presents the correlation between CSR and business.
3. Instruments of sustainable reporting

Environmental balance is a tool capable of providing an organic inter-relationship between the enterprise and the natural environment through a framework of summary quantitative data about the impact on the environment of certain activities of production. If it includes a part dedicated to the description of the qualitative aspects of the company’s involvement in environmental issues, it will be called the environmental report.

Social responsibility is the set of strategies, decisions, procedures and voluntary actions that enable an organization to achieve its own ends by observing workers, employees, owners, partners and external business interests locally, nationally and internationally.

In order to ensure sustainability reporting, enterprises have the following tools: codes of practice, standards of conduct and social balance.

Social balance is a management and retrospective tool. It is presented as a document drawn up annually in the form of an array, comprising a series of quantitative information only, commented, expressing social status and working conditions of the enterprise.

Contrary to what its name intimates, he does not take the form of a table with two columns, showing at a time balance between assets and liabilities of the company, but a list that summarizes numerical data relative to the different characteristics of staff. (Mihalciuc, 2008)

The content of a social balance is stipulated and regulated by several organizations, the most important being represented by GRI (Global Reporting Initiative), having foreground to increase comparability and credibility of reports on sustainable development in companies worldwide. The CSR reporting guidelines developed by GRI provides companies with useful measure performance in compliance with various laws and codes.

The GRI balance type is organized:
- Organization strategy;
- Organization profile;
- Report parameters;
- Corporate governess;
- Overall performance indicators.

When an economic entity gives a sustainable report having the conceptual framework issued by GRI has an obligation to carry out a process for the assessment of this report. There are three levels of reporting titled C, B, and A and the reporting criteria found in each level reflects the gradual implementation and cover GRI reporting framework. An organization declares a reporting level based on its own assessment of the content of the report according to the criteria specified in levels of application GRI and declare an additional "plus" at each level (ex. C+, B+, A+) if the organization
used an external source insurance (whether the certifying auditor has said or require verification from GRI).

4. Study of CSR policy in Orange

Orange, the leader of Romanian telecommunications both in terms of the number of customers as well as profitability, is a privately held company founded in 1997 under the name Dialog, which is an integral part of the France Telecom, one of the world leaders in telecommunications, with more than 177 million customers on five continents.

As regards reporting CSR, Orange uses the model of social balance drawn up by the organization Global Reporting Initiative (GRI), considered to be the model framework, the reference in the sustainable reporting.

The first sustainability report prepared by Orange dates from 2003 and is represented by an environmental assessment, followed since 2006, Orange provides information both through the environmental balance, as well as through social balance. In the next stage, Orange publish sustainability reports GRI-G3, reflecting social performance, environmental performance and economic performance.

In this study we analyze two reports GRI developed and published by Orange in 2010 and 2013.

The purpose of this review is to bring to the fore the actions taken by the group in terms of reducing the harmful effects generated which is reflected by environmental pollution.

The reports were analyzed according to a maximum of (A +) to standard GRI G3, which means it includes all the main indicators of the standard, but also those specific to the telecommunications industry. Also, reports are audited expanded since 2010 Deloitte.

In order to analyze the actions observed in 2010 and 2013, we will use the model Virtue Matrix which provides a concrete framework for assessing the opportunities embodied in social responsibility actions. Implementation of Virtue Matrix model ensures the development of corporate strategies in accordance with the requirements of the EU Directive on non-financial reporting. Virtue Matrix model structure is shown in Figure 3.1.

The model virtue Matrix

![Image of Virtue Matrix](https://rogerlmartin.com/docs/default-source/Reviews/SOCIAL/INNOVATION/rotman_fall_09_virtue_matrix_reloaded_found_at_30.04.2015)

Using virtue Matrix model CSR actions are divided into four categories, represented by:

- Actions imposed by laws;
- Optional actions determined by compliance with voluntary standards;
- Strategic actions generated in order to obtain benefits;
- Structural measures which generate costs in detrimental shareholders whereas diminishes their share of profits devolves on them.

In the following we pursue CSR actions taken by Orange in terms of Virtue Matrix model. In 2010 and 2013 sustainability reports have achieved a grade of A + line, which is why we emphasize
the common shares from one period to another who competed in achieving performance in terms of sustainable development.

Main actions CSR noted in the years 2010-2013

<table>
<thead>
<tr>
<th>Strategic Actions</th>
<th>Structural Actions</th>
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<tr>
<td>ensure the safety of use of services provided via telephone to give information about the impact on health, as well as a guide for parents that explains how you can control the information that children can access through technology; Reduction of energy and resources persuading stakeholders to consume responsibly</td>
<td>education, access to technology for people from disadvantaged groups and support people with visual communication; marketing a phone model for the elderly. Your keyboard has large keys, a powerful volume, playback voice typed figures and a button for emergency calls.</td>
</tr>
<tr>
<td>Optional Actions reduction the adverse health effects of radiation emitted by mobile pillars using the most efficient techniques; voluntary application of corporate governance standards that reflect superior size business organization.</td>
<td>Action required replacement of equipment to eliminate the negative impact on the ozone layer; adopt specific legislation drafted by the European Union in order to ban to put GSM antenna in public places due to negative effects on human health.</td>
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Source: drawn up royalties

Ralph Waldo Emerson, well-known American poet and essayist says "the best-looking compensation of life is the fact that no person can sincerely help another person without help her first itself".

The motto of the development of Orange company is the following: progress are worth nothing if the benefits obtained are not broken down all.

Having said that, we concluded that the CSR activities of a company bring benefits at two levels: of the company and of the society. The most easily seen are the benefits of the society level because they reflect the public interest. But the company obtains major benefits because the success is directly related to the confidence given to the company by that the Community in which she activates, the authorities, the media or partners.

5. Conclusions

Having regard the development in which concern the information needs, becomes top priority reporting financial performance in conjunction with non-financial performance reporting. In this context, it is imperative for a company to become responsible for social, in order to ensure a sustainable development and the balance between its interests and those of the community.

Instruments to achieve sustainable reporting take form of environmental balance and the social balance. The balance of the medium provides information on the relationship enterprise-natural environment, while the social balance means an information and management instrument which reflects social status and working conditions of the company. The most representative of social performance reporting is the balance drawn up by the organization Global Reporting Initiatives, providing useful benchmarks quantifying performance on compliance with laws and codes.

Regarding CSR policy of Orange, we appreciate the sustained interest to intensify and improve the practices. Finally we conclude that sustainability reporting has a special importance, ensuring the proper functioning of Orange, CSR becoming an essential component of long-term development strategy.

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