

Are cultural values sufficient to improve stakeholder engagement human and labour rights issues?

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Abstract

The complexity of the business world and current business models has motivated an increasing number of companies to disclose corporate information through sustainability reports. This reporting and stakeholders engagement may bring shared value to business and society in general although working towards sustainable development goals. This work adopts a new analytical approach by determining the global reporting initiative indicators related to labour practices and decent work, human rights, society, and product responsibility that are reported less frequently by companies. The final objective is to predict the influence that society's cultural values will play as a normative institutional pressure in their evolution. The results obtained for a sample comprising the 201 largest international companies that report in accordance with the recommendations of the G4 Guide in 2015 indicate that more than 50% of these large companies do not report specific mechanisms implemented to avoid violations of human rights and labour rights, or information on incidents related to production and commercial relations. Regulatory pressures associated with cultural values have limited effectiveness as drivers of greater corporate transparency in this area, as they are able to predict a favourable evolution for only 40% of companies that currently do not report.

KEYWORDS

biplot, corporate social responsibility, GRI, social indicators, stakeholder engagement, sustainable development

1 | INTRODUCTION

The corporate social responsibility (CSR) reports have as their main objective to inform stakeholders about the level of sustainability of business performance in order to enable stakeholders to make better decisions. The impact derived from these informative practices is extremely beneficial for companies, especially in terms of improving their image, reputation, and access to financing with better conditions (e.g., Cuadrado-Ballesteros, García-Sánchez, & Martínez Ferrero, 2016; Dhaliwal, Li, Tsang, & Yang, 2014; García-Sánchez & Noguera-Gámez, 2017b, 2017c; Martínez-Ferrero, Ruiz-Cano, & García-Sánchez, 2016).

However, the preparation of this information is expensive, and substantial funds must be allocated (Li, Gong, Zhang, & Koh, 2018). Such preparation may also entail costs for the owners derived from the sensitivity of the information issued (García-Sánchez & Martínez-Ferrero, 2017). Thus, researchers have focused on analysing the internal and external factors that lead organisations to disclose a greater volume of CSR information as well as its quality level (García-Sánchez, Martínez-Ferrero, & García-Benau, 2018; Martínez-Ferrero, García-Sánchez, & Ruiz-Barbadillo, 2018).

In relation to the internal factors, there is high agreement about the explanatory capacity of profitability (Allouche & Laroche, 2005), company size (McWilliams & Siegel, 2000), level of risk (Arora &

Dharwadkar, 2011), activity sector (Ndemanga & Koffi, 2009; Reverte, 2009; Ullmann, 1985), and certain characteristics of the board of directors (Frías-Aceituno, Rodríguez-Ariza, & García-Sánchez, 2013b; Fuente, García-Sánchez, & Lozano, 2017; García-Sánchez & Martínez-Ferrero, 2017; Prado-Lorenzo & García-Sánchez, 2010; Prado-Lorenzo, García-Sánchez, & Gallego-Álvarez, 2009a; Rodríguez-Ariza, Aceituno, & Rubio, 2014) in relation to corporate transparency in CSR.

In terms of external factors, institutional theory suggests that there are three main forces that drive organisational actions: normative, coercive, and mimetic. However, the number of studies that have evaluated the impact of the institutional environment is smaller, despite the strong effect that these factors have on business decisions (Khanna, Palepu, & Srinivasan, 2004; Riahi-Belkaoui & AlNajjar, 2006). Empirically, a considerable number of studies focus their efforts on analysing the informative practices of corporate information in certain countries (Deegan & Gordon, 1996; Díez, García, & Gago, 2012; R. Gray, Javad, Power, & Sinclair, 2001; Trotman & Bradley, 1981). Nevertheless, according to Scott (2008), it is the other dimensions of the institutional environment that cause companies to adopt different strategies of legitimisation before society, due to discrepancies between the coercive and normative pressures they support in their country of origin (Baughn, Bodie, & McIntosh, 2007; Buhr & Freedman, 2001; Van der Laan Smith, Adhikari, & Tondkar, 2005; Xiao, Gao, Heravi, & Cheung, 2005) and the existing mimetic forces at the sectoral level (Amor-Esteban, Galindo-Villardón, & García-Sánchez, 2018).

Thus, several researchers have evidenced the effect that several institutional pressures exert on CSR disclosure strategies (Frías-Aceituno, Rodríguez-Ariza, & García-Sánchez, 2013a; García-Sánchez, Cuadrado-Ballesteros, & Frías-Aceituno, 2016; García-Sánchez, Prado-Lorenzo, & Frías-Aceituno, 2013; García-Sánchez, Rodríguez-Ariza, & Frías-Aceituno, 2013). More concretely, the previous authors determined that legal and cultural systems are the main coercive and normative forces in explaining CSR disclosure and performance. Cultural values—the feminine and collective national cultural dimensions of society—are important boosters of the report of more comparable and useful CSR information.

However, all these papers focus on global measures of CSR or environmental information disclosure without analysing more deeply which information is revealed (or not revealed) by firms. In this sense, it is necessary to consider that external factors are doubtless when internal factors are not drivers of CSR disclosure regarding several issues that companies may be disinterested in disclosing (García-Sánchez & Noguera-Gámez, 2017a).

In line with this thinking, this work aims to determine the role played by the regulatory pressures of the country of origin of companies as drivers of information on the social impacts of business performance, which companies do not report or report less frequently than other information. This objective can be subdivided into two parts: first, the paper aims to demonstrate those indicators of the global reporting initiative (GRI) related to the social dimension of business performance that is more often omitted in the CSR reports issued by companies; second, it seeks to predict which regulatory forces are

determinant in the favourable evolution of indicators and to quantify their capacity or explanatory power.

For this, we use a sample of 201 companies belonging to 29 countries from different regions of the world. The sample only includes large listed companies because they are the most active in terms of sustainability and corporate transparency (García-Sánchez et al., 2016), besides being a model for other companies and reporting more frequently in accordance with the most demanding criteria of the GRI-G4 guide (García-Sánchez & Martínez-Ferrero, 2017).

Consideration of the GRI indicators is a consequence of the relevance that these guides have worldwide (Naem & Welford, 2009) and the role they play in the issuance of useful and internationally comparable information (García-Sánchez & Martínez-Ferrero, 2018; Manetti, 2011; Martínez-Ferrero, Suárez-Fernández, & García-Sánchez, 2018). In relation to information on social issues, the reporting of information focuses on analysis of the following dimensions: labour practices and decent work, human rights, society, and product responsibility. Previous empirical evidence has been oriented mainly towards the study of information on environmental issues, giving less importance to the social dimension of CSR, despite the important impact it has in certain labour-intensive sectors and the use of other, not natural, resources. In addition, the social dimension is subject to greater discretion on the part of the companies, although it is less regulated, being in numerous occasions is an entirely voluntary business decision.

Analysis of normative pressure is carried out based on the cultural dimensions proposed by Hofstede (1983): collectivism, femininity, tolerance of uncertainty, power distance, and long-term orientation. According to Campbell (2007), these forces can aid or reinforce the responsible behaviour of organisations in response to the demands of society. This opinion is shared by many other authors, including Doh and Guay (2006), Galaskiewicz and Burt (1991), Matten and Moon (2008), and Scott (2008).

The two-way multivariate methodology used comprises a combined method that integrates the principal coordinates analysis with logistic regression (LR) to build an external logistic biplot. This technique allows simultaneous representation of the companies, the GRI indicators, and the cultural forces, allowing us to predict the evolution that the indicators should undergo, taking into account the normative pressure that the companies support.

The results obtained show that there are differences between countries in relation to the dissemination of information, justified by cultural values related to power distance, collectivism, femininity, tolerance of uncertainty, and long-term vision. The large multinationals outsource their production to third countries in which labour legislation is non-existent or extremely lax in order to lower their production costs, and 50% of these companies omit relevant information in this regard. The demands coming from collectivist societies, tolerant of uncertainty, and with a low power distance, are a driving force for achieving greater corporate transparency. However, only 40% of companies that do not report show a greater tendency to disclose social information about CSR driven by these regulatory pressures.

In addition to this introduction, the document is structured in four sections. In the following, the theoretical framework of analysis is established, addressing a brief description of CSR reports and the relevance of the institutional characteristics considered in the analysis. Following this, the methodology includes a description of the data and the methods of analysis used. The penultimate section contains the results obtained. The document concludes with a discussion and a summary of our main findings.

1.1 | Cultural values and CSR reports: The theoretical framework

1.2 | CSR reports and their evolution

CSR reports are intended to inform stakeholders about the economic, environmental, and social performance of an organisation in a given period of time, establishing transparent and reliable communication with the stakeholders (Orozco, Acevedo, & Acevedo, 2014). For this purpose, the reports expand upon the content of traditional financial statements (Williams & Pei, 1999), offering information on aspects that go beyond the corporate economic result (Gray, Kouhy, & Lavers, 1995), providing data on labour practices, relationships with suppliers and customers, environmental management policies and systems, community activities, charitable contributions, and the effect of the company's products on consumer health and safety (Williams, 1999).

The significant growth in the preparation of CSR reports during the last two decades (Gray et al., 1995) has led academics to analyse and examine the quantity, content, and quality of these reports as well as the factors that influence these characteristics (Clarkson, Li, Richardson, & Vasvari, 2008; da Silva Monteiro & Aibar-Guzmán, 2010; Hackston & Milne, 1996; Haniffa & Cooke, 2005; Hassan & Ibrahim, 2012; Jairo, 2013; Mio, 2010).

Thus, in general, the scientific community has determined that the guidelines proposed by the GRI are the main reference in the preparation of CSR reports at an international level (Dilling, 2010; Hess, 2008; López, García, & Rodríguez, 2007; Perez-Batres, Doh, Miller, & Pisani, 2012; Prado-Lorenzo, García-Sánchez, & Gallego-Álvarez, 2009b; Rasche, 2009; Tsang, Welford, & Brown, 2009; White, 2006) and that, in general terms, profitability, size, and activity sector are key factors in the decision to begin disclosing information on CSR and in improving its content, usefulness, and comparability (e.g., (Albertini, 2014; Gibson & O'Donovan, 2007; Higgins, Milne, & Van Gramberg, 2015; Islam & McPhail, 2011; Kolk & Pinkse, 2010; Lauwo, 2018; Romolini, Fissi, & Gori, 2014; Russo-Spena, Tregua, & De Chiara, 2018; Secchi, 2006).

However, when researchers gather the opinions of stakeholders, they observe that the credibility and usefulness of the CSR reports are insufficient for them to interact with the companies in order to address social and environmental issues and improve CSR practices in business (O'Dwyer, Unerman, & Hession, 2005). In addition, other authors, through content analysis, have evidenced important

deficiencies in CSR disclosure practices, highlighting the margins of improvement regarding compliance with international disclosure standards and effective engagement with stakeholders, for example, Skouloudis, Evangelinos, and Kourmousis (2010) for Greece; Mio (2010) for Italy; Moseñe, Burritt, Sanagustín, Moneva, and Tingey-Holyoak (2013) for Spain; Asif, Searcy, dos Santos, and Kensah (2013) for The Netherlands; Ahmad and Mohamad (2014) for Malaysia; Yadava and Sinha (2016) for India; and Rodrigue (2014) for Canada.

In addition, Laine (2010) shows that the companies that pioneered the dissemination of CSR reports broadcast polyphonic information; at present, companies use a fairly similar rhetoric, being able to engage in the same discourse for unsustainable behaviours. O'Donovan (2002), Pellegrino and Lodhia (2012), Hahn and Lülfs (2014), and Morrison, Wilmshurst, and Shimeld (2016), amongst others, observe that companies use CSR reports strategically, offering an analysis and argumentation of a point of view that allows them to obtain additional benefits in the promotion of dialogue with stakeholders. Despite the conciseness, comparability, and understandability of the information issued, it is possible to question its utility (Boiral, 2013) and the extent to which sustainability reports should be considered as a simulation used to camouflage real sustainability problems and project an idealised vision of the performance of mining and energy companies.

However, research has analysed the environmental information reported (or not reported), in general, in specific industries (Adler, Mansi, Pandey, & Stringer, 2017; Boiral, 2016; Kleinman, Kuei, & Lee, 2017; Leong, Hazelton, Taplin, Timms, & Laurence, 2014; Talbot & Boiral, 2015a, 2015b) or the level of CSR information standardisation (Belal & Owen, 2015; Lock & Seele, 2016; Michelon, Pilonato, & Ricceri, 2015).

In this paper, we improve upon the previous evidence in two ways. We analyse the social indicators (labour practices and decent work, human rights, society, product responsibility) that companies include or not in CSR reports, along with the role that normative institutional pressures may play in the improvement of social information disclosure. In this regard, some studies have found substantial differences in the quality of CSR reports between countries, which indicates that the institutional environment is a fundamental determinant of CSR disclosure practices (Baughn et al., 2007; Buhr & Freedman, 2001; Fekrat, Inclan, & Petroni, 1996; Freedman & Stagliano, 1992; Gamble, Hsu, Jackson, & Tollerson, 1996; Meek, Roberts, & Gray, 1995; Van der Laan Smith et al., 2005; Williams, 1999; Williams & Pei, 1999; Xiao et al., 2005).

1.3 | Normative forces as CSR disclosure prediction

Institutional theory establishes that companies are economic units that operate within an environment formed by the "rules of the game" that establish the different institutions comprising that environment and affecting its operation (Campbell, 2007; Campbell, Hollingsworth, & Lindberg, 1991), causing organisations that operate in similar institutional environments to adopt homogeneous forms of behaviour

(Claessens & Fan, 2002; La Porta, Lopez-de-Silanes, Shleifer, & Vishny, 1998). As a result, organisations become isomorphic in order to achieve greater stability and survival, facilitating institutional legitimacy (DiMaggio & Powell, 1983).

Three types of force or pressure determine this organisational isomorphism. Normative pressures allow organisations to acquire legitimacy within the profession and within the society in which they operate. Coercive pressures entail compliance with rules arising from external pressures exerted by the government or regulatory agencies. Mimetic forces refer to the process of imitation that some organisations adopt to resemble others, usually those that are most successful (Perez-Batres, Miller, & Pisani, 2011).

For Campbell (2006), companies will have a better predisposition towards socially responsible behaviour, and therefore provide more information, when operating in strong coercive and normative institutional environments, and especially, according to Campbell (2007), Doh and Guay (2006), Galaskiewicz and Burt (1991), Matten and Moon (2008), and Scott (2008), in environments with greater regulatory pressure. According to Campbell (2007), normative pressures can help to reinforce the responsible behaviour of organisations regarding the demands of society. According to Scott (2008), cultural systems should be considered normative forces, because they introduce a prescriptive, evaluative, and obligatory dimension into social life.

The different characteristics or cultural values of society play an important role in business decisions and actions, especially in the field of CSR (Esteban, Villardón, & Sánchez, 2017) and, consequently, in the information disclosed and its usefulness in the process of rendering accounts to stakeholders (Prado Lorenzo, García Sánchez, & Blázquez Zaballos, 2013; Yusoff, Othman, & Yatim, 2014). On the one hand, Hofstede (2003) points out that culture, in this sense, shapes the cognitive schemes of the individual or organisation, programming patterns of behaviour related to the cultural context. On the other hand, Tsakumis (2007) argues that national cultural dimensions explain the similarities and general differences in the collective mental programming of the human mind that distinguish one society from another.

According to Hofstede (1991), culture is always a collective phenomenon that is learned, not inherited and that influences human behaviour. It transcends in a similar way both the values of the individual and the values that govern the behaviour of companies (Vitell, Paolillo, & Thomas, 2003) through the effect that cultural values have on decision-making processes in the business world (Kim & Kim, 2010; Singhapakdi, Vitell, & Leelakulthanit, 1994; Su, 2006). Consequently, culture influences the CSR practices that implement and the dissemination that they issue in this regard (Richerson & Boyd, 2005).

In this sense, various investigations show the impact that the cultural system has on different types of business report (Adams & Kuasirikun, 2000; Buhr & Freedman, 2001; García-Sánchez et al., 2016; Hope, 2003; Kim & Kim, 2010; Langlois & Schlegelmilch, 1990; Neu, Warsame, & Pedwell, 1998; Orij, 2010; Salter & Niswander, 1995; Tsakumis, 2007; Welford, 2004).

Different models have tried to explain the cultural differences between countries, but the model that has received greater recognition in the literature on corporate disclosure and CSR is the

five-dimension model proposed by Hofstede (2001). These dimensions are large or small power distance, individualism versus collectivism, masculinity versus femininity, tolerance versus aversion to uncertainty, and long- versus short-term orientation. These dimensions have been used by numerous investigators (e.g., Aceituno, da Conceição Marques, & Ariza, 2013; Christie, Kwon, Stoeberl, & Baumhart, 2003; Maignan, 2001; Orij, 2010; Ringov & Zollo, 2007; Van der Laan Smith et al., 2005; Vitell et al., 2003; G. Williams & Zinkin, 2008).

The power distance dimension describes a perception of the social hierarchy in terms of equality or inequality. A large power distance reflects that the levels of power are vertically stratified, establishing different hierarchies of power. In this sense, in countries with less power distance, companies will feel greater pressure to develop CSR practices and disclose them, whereas companies located in countries with greater power distance will be more focused on satisfying the interests of shareholders ahead of other interest groups (García-Sánchez et al., 2016)

The individualism/collectivism dimension reflects the tendency of society to reinforce individual or collective well-being. Collectivist societies are formed by individuals who think more of themselves as members of a group; their identity is therefore based on the social system to which they belong (de Mooij & Hofstede, 2010). Individuals with higher collectivism values have stronger links with society (Hofstede & Hofstede, 2005) and will therefore lead companies to show greater concern for sustainability, issuing more information about the impact of their actions on the social and environmental levels.

The dimension of masculinity/femininity refers to the role played by gender within society. Masculine cultures are usually assertive, strong, competitive, and oriented towards material success, whereas in feminine cultures, cooperation, modesty, consensus, and concern for quality of life prevail. Stakeholders in companies with a feminine orientation tend to be more open in the dissemination of information on CSR because they are more supportive societies (Gray, 1988) and demonstrate greater sensitivity to other perspectives of business performance related to the needs of society and the opportunities to satisfy them (García-Sánchez et al., 2016).

The dimension of aversion to versus tolerance of uncertainty determines the level at which people prefer structured situations over unstructured situations. Societies with a lower level of aversion to uncertainty are more open to change, have fewer rules, and have more flexible guidelines. In this sense, stakeholders in societies with a lower level of aversion to uncertainty have higher expectations of CSR practices than those in countries with a greater aversion to uncertainty. In the former institutional environments, CSR practices are motivated by legislation, which forces companies to behave in more sustainable ways (García-Sánchez et al., 2016). Countries with high values of aversion to uncertainty have a preference for secrecy and issue less information about CSR (Gray, 1988).

The long-/short-term orientation dimension describes the time horizon of a society. Cultures with short-term orientation value traditional methods spend a considerable amount of time developing relationships. A company with a long-term vision requires greater

CSR practices and corporate information, providing information about the company's behaviour and its future impact (García-Sánchez et al., 2016).

Prado-Lorenzo, García-Sánchez, and Blázquez-Zaballos (2013), Yusoff et al. (2014), and García-Sánchez et al. (2016) observe that companies whose country of origin is characterised by higher cultural values in the dimensions of collectivism and femininity are more sensitive to the disclosure of information on CSR, followed by the dimensions of greater long-term orientation, and, subsequently, greater tolerance of uncertainty and a lower index of power distance. However, Gallén and Peraita (2017) show that companies in more feminine countries disclose more information about CSR, this information is not of a higher quality.

In this sense, in relation to the theoretical framework and the previous empirical evidence, we defend that companies located in countries in which higher cultural values associated with the dimensions of collectivism, femininity, tolerance of uncertainty, long-term vision, and less power distance predominate will generally disclose greater volumes of information on CSR and, in particular, indicators associated with the social dimensions related to labour practices and decent work, human rights, society, and product responsibility.

However, the impact that these dimensions have on corporate transparency will depend on the type of information to be disclosed. Thus, the cultural features associated with collectivism, femininity, and long-term vision will be the first determinants of levels of corporate transparency. However, the dimensions of tolerance of uncertainty and less power distance will be the true drivers of those indicators that have lower frequency in their disclosure because, for various reasons, companies do not report them.

2 | METHODOLOGY

2.1 | Population and sample

To successfully address the objectives of this work, we considered the 500 largest companies worldwide according to Fortune Global 500¹ for the year 2015. This population is selected because large companies have a higher social impact, which implies a certain obligation in sustainability practices and disclosure of information about them. In addition, the media and the general public demand more information from large companies and their turnover is sometimes higher than the GDP of some countries.

The sample corresponds to 201 companies from 29 countries that prepare and disseminate a CSR report in accordance with the GRI model, specifically version G4. This guide is a document used worldwide to provide a standard report on the content of sustainability reports and to give them credibility and transparency. The data analysed in relation to the indicators of the G4 version were obtained from the information published in sustainability reports on companies'

websites through a content analysis. Specifically, the presence or absence of each of the social indicators related to the categories of labour practices and decent work, human rights, society, and product responsibility was evaluated. As already indicated, the social dimension of CSR lacks the academic coverage of environmental indicators, even when it concerns information of a more discretionary nature, because it is less regulated.

2.2 | Variables: Social indicators and cultural values

Table 1 reflects the GRI indicators related to the social dimension proposed in the G4 guide. They correspond to 48 indicators, 16 relating to describing business actions in relation to labour practices and decent work, 12 to human rights, 11 to commitment to society, and nine to product responsibility.

To determine normative pressures, we use the national cultural features proposed by Hofstede (2001), which take values between 0 and 100. Specifically, the relative cultural dimensions are large or small power distance, individualism versus collectivism, masculinity versus femininity, tolerance versus aversion to uncertainty, and long- versus short-term orientation. Except for this last dimension, higher values imply companies less oriented towards CSR and corporate transparency, which is why we will use their inverse. Table 2 summarises Hofstede's cultural dimensions:

2.3 | Analysis technique

The information used in our analysis was organised in a binary data matrix $X (i \times j)$, in which rows (i) correspond to the 201 largest companies in the world and columns (j) correspond to the 48 variables or binary indicators referring to social aspects. All indicators are binary variables that take the value one when the characteristic is present (reported indicator) and zero when it is absent (undisclosed).

The ordering and nature of the data require the use of two-way techniques that allow graphic representations that facilitate visual analysis of the results with strong statistical support that guarantees both its adequate interpretation and prediction of its evolution. Specifically, the external logistic biplot and HJ-biplot have been used to analyse the information through the MultiBiplot program, a programming environment integrated in MATLAB and developed by Vicente-Villardón (2010), available on the website: <http://biplot.usal.es>. By implementing both techniques, we approximate a data matrix in a way that allows its description or modelling through geometric maps constructed as projections of point cloud rows and columns on subspaces of optimum adjustment.

2.3.1 | External logistic biplot

For the analysis, we use a methodology proposed by Vicente-Villardón, Galindo-Villardón, and Blázquez-Zaballos (2006) and extended by Demey, Vicente-Villardón, Galindo-Villardón, and Zambrano (2008) that combines principal coordinates analysis and

¹The Fortune Global 500, also known as Global 500, is an annual ranking of the top 500 corporations worldwide as measured by revenue and the list is compiled and published annually by Fortune magazine.

TABLE 1 Social indicators (GRI-G4)

Social dimension	Indicator	Indicator code
Labor practices and decent work	Employment	LA1, LA2, and LA3
	Labor/management relations	LA4
	Occupational health and safety	LA5, LA6, LA7, and LA8
	Training and education	LA9, LA10, and LA11
	Diversity and equal opportunity	LA12
	Equal remuneration for women and men	LA13
	Supplier assessment for labor practices	LA14 and LA15
	Labor practices grievance mechanisms	LA16
Human rights	Investment	HR1 and HR2
	Non-discrimination	HR3
	Freedom of association and collective bargaining	HR4
	Child labor	HR5
	Forced or compulsory labor	HR6
	Security practices	HR7
	Indigenous rights	HR8
	Assessment	HR9
	Supplier human rights assessment	HR10 and HR11
	Human rights grievance mechanisms	HR12
Society	Local communities	SO1 and SO2
	Anti-corruption	SO3, SO4, and SO5
	Public policy	SO6
	Anti-competitive behaviour	SO7
	Compliance	SO8
	Supplier human rights assessment	SO9 and SO10
	Grievance mechanisms for impacts on society	SO11
	Product responsibility	Customer health and safety
Product and service labelling		PR3, PR4, and PR5
Marketing communications		PR6 and PT7
Customer privacy		PR8
Compliance		PR9

TABLE 2 Normative institutional pressures: Cultural values

0 ←	Hofstede's cultural dimensions	→ 100
Low power distance	PDI	High power distance
Collectivism	INV	Individualism
Femininity	MAS	Masculinity
Low uncertainty avoidance	UAI	High uncertainty avoidance
Short-term orientation	LTO	Long-term orientation

Note. INV: individualism; LTO: long-term orientation; MAS: masculinity; PDI: power distance; UAI: uncertainty avoidance index.

logistic regression in the same algorithm to build the technique known as an external logistic biplot (see Figure 1). In this paper, the graphic representation allows visualizing the relationships between the companies and indicators. Let $\pi_{ij} = E(x_{ij})$, the probability that the social indicator of CSR j is present at company i , and x_{ij} the observed probability (0 or 1), where the value zero indicates that the attribute is absent and one that it is present. π_{ij} can be written as

$$\pi_{ij} = \frac{e^{b_{j0} + \sum_{s=1}^k b_{js} a_{is}}}{1 + e^{b_{j0} + \sum_{s=1}^k b_{js} a_{is}}},$$

where

a_{is} ($i = 1, \dots, I$) and b_{js} ($j = 1, \dots, J$) are the model parameters.

This model is equivalent to the generalised linear model that uses the logit function as a link function to avoid scale problems (Demey et al., 2008).

For more detailed on the geometric properties of the external logistic biplot and the rules for you interpretation, consult other researchers (see Gallego-Álvarez, Ortas, Vicente-Villardón, & Álvarez Etxeberria, 2017; Gallego-Álvarez & Vicente-Villardón, 2012; Torres-Salinas, Robinson-García, Jiménez-Contreras, Herrera, & López-Cózar, 2013; Vicente-Villardón et al., 2006). This technique has been used in others studies (e.g., García-Pérez, Muñoz-Torres, & Fernández-Izquierdo, 2018; Tejedor-Flores, Galindo-Villardón, & Vicente-Galindo, 2016; Vicente Galindo, Vaz, & de Noronha, 2015; de Noronha Vaz, Galindo, de Noronha Vaz, & Nijkamp, 2015; P. V. Galindo, de Noronha Vaz, & Nijkamp, 2011; Rodero, Sanz-Valero, & Galindo-Villardón, 2018).

2.3.2 | Predictive analysis in the logistic biplot

The regression coefficients are the vectors that show the direction that best predicts the probability of the presence of each index. For each variable, the ordering diagram is divided into two regions that predict the presence ($\pi_{ij} > 0.5$) or absence ($\pi_{ij} < 0.5$) of the attribute. A line that is perpendicular to the vector that represents the variable or indicator separates the two regions. For this work, the projection of a company in the direction of any vector (indicator) is interpreted as predicting the probability of the presence of that indicator in the company.

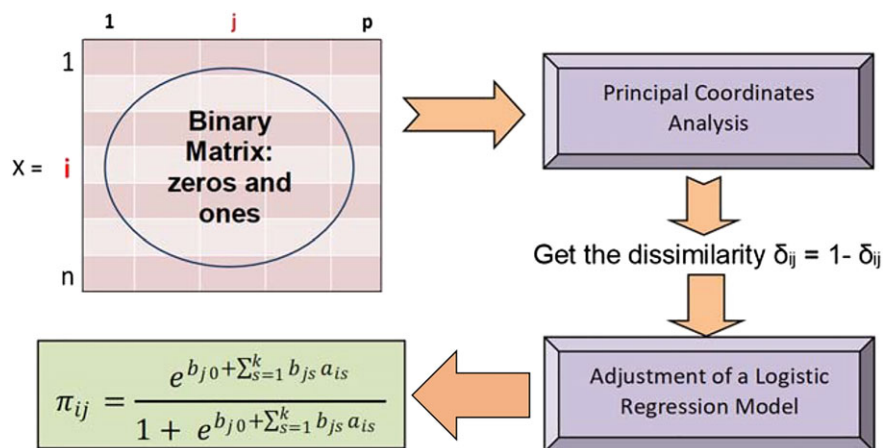


FIGURE 1 Algorithm for the application of the external logistic biplot [Colour figure can be viewed at wileyonlinelibrary.com]

2.3.3 | HJ-biplot technique

A biplot is a statistical approach for graphically depicting a data matrix $X (i \times j)$ obtained from analysing i individuals according to j numerical characteristics (Gabriel, 1971; Gabriel & Odoroff, 1986; Gower & Hand, 1995). Gabriel (1971) introduced biplot methods in the context of principal component analysis. The classical approach of biplot methods consists of two parts: first, a decomposition is performed in singular values of the data matrix; then the matrix is factored into row markers (individuals) and column markers (variables) (Eckart & Young, 1936; Golub & Reinsch, 1970).

In this study, we used the HJ-biplot statistical technique for multivariate data (Galindo, 1986), which has the capacity to represent both rows and columns simultaneously in a reduced dimension space. For this paper, the main goal of the HJ-biplot is to describe the relations between the rows (companies, which are displayed as points) and the columns (CSR social indicators and cultural system variables, displayed as vectors) according to the guidelines for the interpretation of the HJ-biplot:

- This, in turn, allows us to identify companies with similar behaviours –that is, we interpret the distance between points in relation to similarity: countries close to each other have similar profiles.
- In addition, the relationships between the social indicators of CSR, normative forces, and the relationships between them are described, meaning that acute angles between vectors are associated with a positive correlation between them, obtuse angles with a negative correlation, and right angles with uncorrelated indicators.
- To rank companies with respect to sustainability indicators and the normative forces, the orthogonal projections of the points (companies) on the vectors (indicators) are ordered in relation to each indicator and each normative.

This technique has been used in several contexts (for some examples, Demey et al., 2008; Esteban et al., 2017; Gallego-Álvarez, Galindo-Villardón, & Rodríguez-Rosa, 2015; Nieto-Librero, Sierra, Vicente-Galindo, Ruíz-Barzola, & Galindo-Villardón, 2017; Rodríguez-Rosa, Gallego-Álvarez, Vicente-Galindo, & Galindo-Villardón, 2017; Tejedor-Flores, Vicente-Galindo, & Galindo-Villardón, 2017).

3 | RESULTS

3.1 | Exploratory analysis

Prior to the analysis of behaviour and prediction, it was considered appropriate to perform a descriptive analysis of the frequency with which the companies reported each of the social indicators. Table 3 allows us to observe the relative frequencies for each indicator and category.

On average, 51.2% of the companies analysed disclose the social indicators established by the GRI G4 guide. This percentage is higher for the indicators related to the dimension of labour practices and decent work (59.8%) and society (53.7%). The percentage stands at 44.1% for human rights and at 47.3% for the indicators related to product responsibility.

The social indicators most widely reported by the 201 companies in their sustainability reports (GRI-G4) are, in the society subcategory, SO4—“communication and training on anti-corruption policies and procedures”—with 80.1% disclosure; in the labour practices and decent work subcategory, indicators LA10—“programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings”—with 82.6% disclosure; and LA12—“composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity”—with 81.1% disclosure. In the human rights subcategory, the most reported indicator HR10—“percentage of new suppliers that were screened using human rights criteria”—barely reaches 54.7% disclosure; finally, in product responsibility, PR5—“results of surveys measuring customer satisfaction”—achieves 68.7% disclosure.

3.2 | Logistic biplot

The heterogeneity in the dissemination of indicators highlights the need to explore in more detail why companies report on some of the social indicators in some of the categories. Evaluation of the influence of the normative forces oriented towards companies' disclosure

TABLE 3 Descriptive statistics of social indicators

Dimension	Description	Code	Reported
Labor practices and decent work (LA)	Total number and rates of new employee hires and employee turnover by age group, gender, and region	LA1	71.1
	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	LA2	64.7
	Return to work and retention rates after parental leave, by gender	LA3	48.8
	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	LA4	50.2
	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	LA5	49.8
	Type of injury and rates of injury, occupational diseases, lost days, absenteeism, and total number of work-related fatalities, by region and by gender	LA6	72.1
	Workers with high incidence or high risk of diseases related to their occupation	LA7	49.8
	Health and safety topics covered in formal agreements with trade unions	LA8	52.7
	Average hours of training per year per employee by gender and by employee category	LA9	72.1
	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	LA10	82.6
	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	LA11	66.7
	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	LA12	81.1
	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	LA13	52.2
	Percentage of new suppliers that were screened using labor practices criteria	LA14	49.8
	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	LA15	48.8
	Number of grievances about labor practices filed, addressed and resolved through formal grievance mechanisms	LA16	44.8
	Total average dimension: labor practices and decent work (LA)		59.8
Human rights (HRs)	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	HR1	41.8
	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	HR2	49.8
	Total number of incidents of discrimination and corrective actions taken	HR3	47.8
	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	HR4	50.7
	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	HR5	50.7
	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	HR6	49.8
	Percentage of security personnel trained in the organisation's human rights policies or procedures that are relevant to operations	HR7	32.8
	Total number of incidents of violations involving rights of indigenous peoples and actions taken	HR8	31.3
	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	HR9	36.8
	Percentage of new suppliers that were screened using human rights criteria	HR10	54.7
	Significant actual and potential negative human rights impacts in the supply chain and actions taken	HR11	44.3
	Number of grievances about human rights impacts filed, addressed and resolved through formal grievance mechanisms	HR12	38.8
	Total average dimension: human rights (HRs)		44.1
Society (SO)	Percentage of operations with implemented local community engagement, impact assessments, and development programs	SO1	67.7
	Operations with significant actual and potential negative impacts on local communities	SO2	45.8
	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	SO3	57.7
	Communication and training on anti-corruption policies and procedures	SO4	80.1
	Confirmed incidents of corruption and actions taken	SO5	55.7
	Total value of political contributions by country and recipient/beneficiary	SO6	50.2
	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes	SO7	49.3
	Monetary value of significant fines and total number of nonmonetary sanctions for non-compliance with laws and regulations	SO8	52.7
	Percentage of new suppliers that were screened using criteria for impacts on society	SO9	49.3

(Continues)

TABLE 3 (Continued)

Dimension	Description	Code	Reported
Product responsibility (PR)	Significant actual and potential negative impacts on society in the supply chain and actions taken	S010	45.0
	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	S011	37.3
	Total average dimension: society (SO)		53.7
	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	PR1	59.2
	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	PR2	40.0
	Type of product and service information required by the organisation's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	PR3	50.7
	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	PR4	37.3
	Results of surveys measuring customer satisfaction	PR5	68.7
	Sale of banned or disputed products	PR6	34.8
	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	PR7	36.8
Total average—social indicators	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	PR8	53.2
	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	PR9	45.0
	Total average dimension: product responsibility (PR)		47.3
	Total average—social indicators		51.2

of the sustainability indicators of a social type uses the four traditional cultural phases proposed by Hofstede and Hofstede (2005) and Hofstede (2001): power distance, collectivism, femininity, uncertainty avoidance, and long-term orientation.

It is expected that countries with higher values in these variables will be culturally more developed and therefore show greater interest in CSR, all of which will result in greater regulatory pressure on the companies, which will lead them to be more transparent. From this basis, the values of these five variables are averaged and we obtain a numerical value that we call "culture." From the averages, a typology for the culture is established, using the P₂₅, P₅₀, and P₇₅ percentiles in such a way that the countries are divided into four types of cultural development, the first type being the least developed and the fourth the most developed culturally (see Figure 2).

The goodness of global adjustment, as a percentage of correct classification in the biplot, is 76.91%; consequently, 76.91% of the presences and absences for the indicator matrix are predicted correctly. In addition, the percentage of correctly classified variables was, in most cases, over 70%, so the prediction of the absence/presence of each indicator is approximate.

In each typology, we find different cultural developments associated with different normative pressures. Thus, the quadrants on the left group the companies whose country of origin has a greater cultural development towards CSR, whereas the quadrants on the right encompass the companies that support less normative pressure, associated with lower national cultural values.

The most popular indicators are located on the left side of the graph, so that companies located further to the left show a greater

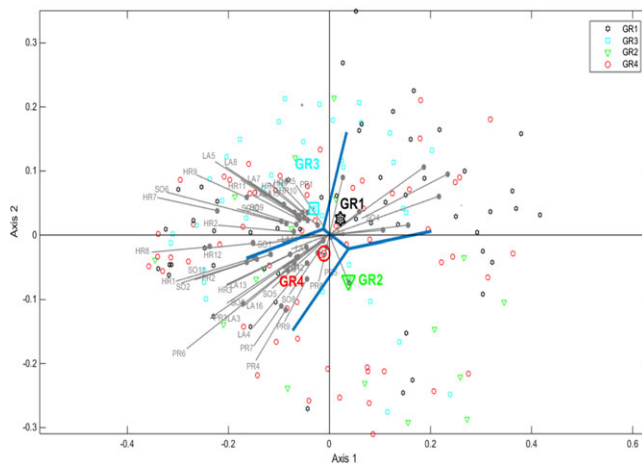


FIGURE 2 External logistic biplot: disclosure of social indicators in sustainability reports [Colour figure can be viewed at wileyonlinelibrary.com]

commitment to the dissemination of information of a social nature. The indicators that are reported less frequently are placed on the right side.

Combining the positioning of the cultural dimension and the social indicators in the plan, we can identify four types of business behaviour that we have subdivided into spaces GR1 to GR4, taking into account the centroid—that is, the midpoint of the companies of each type.

Most companies of the first type (GR1 less developed culturally) are on the right side of the figure, which indicates less commitment to the dissemination of social indicators as a result of a society supported by individualism, with high masculine values, that accepts

inequalities of power and is from a culture less open to change. The second typology (GR2) includes companies that, in general, do not assume a commitment to the disclosure of these indicators; however, they tend to report indicators related to product responsibility. The third typology (GR3) responds to companies located in the second and third quadrants, which show a greater commitment to the dissemination of social indicators in response to societies with less power distance, greater tolerance of uncertainty, and oriented towards community interests. The fourth typology (GR4) shows very dispersed companies and does not allow identification of a similar pattern of behaviour regarding the disclosure or not of social information.

The results of this representation derived from the external logistic biplot lead us to select those indicators that are reported by fewer than 50% of the companies analysed in order to predict their evolution, motivated by the regulatory pressure that each company supports. Methodologically, we observe that for this frequency there is a decoupling between the effect of normative pressure associated with cultural values and business practices related to the dissemination of social indicators.

3.3 | Prediction regions from logistic biplot

Next, we will analyse the 25 social indicators that present a percentage of disclosure below 50%. Of these 25 indicators, six are within the labour dimension, five in society, nine in human rights, and five in product responsibility (see Figure 3). The regions that predict

presence are coloured red and identify companies located in countries that have a higher normative pressure derived from higher cultural values and which, therefore, should be associated with greater transparency—that is, companies in these countries should disclose the indicator analysed. The regions that predict absence are coloured blue and identify companies in those countries with lower cultural values. In these regions, less regulatory pressure would mean a laxity for the companies located there, making them unlikely to report the indicator.

For all indicators, there is an observably high percentage of well-classified companies (red points in the region shaded in red, blue points in the region shaded in blue) and, depending on the indicator, different frequencies of companies whose disclosure practice for each indicator would not be associated with normative pressure (blue points in the red region and red points in the blue region).

The blue points in the red region indicate companies that report the indicator for reasons other than normative pressure because this is moderate in their country. The red companies located in the blue region are companies that will report on the indicator in the medium and long term due to the normative pressure they bear.

To predict the evolution of these indicators over time, in Table 4, we reflect the percentages of companies that will not increase their transparency in the social dimension of CSR, motivated by the cultural values of the country of origin of the companies as well as the effect that normative pressure could exert on the favourable evolution of these indicators.

On average, 43% of companies that do not report the social indicators analysed do so in the medium or long term due to the

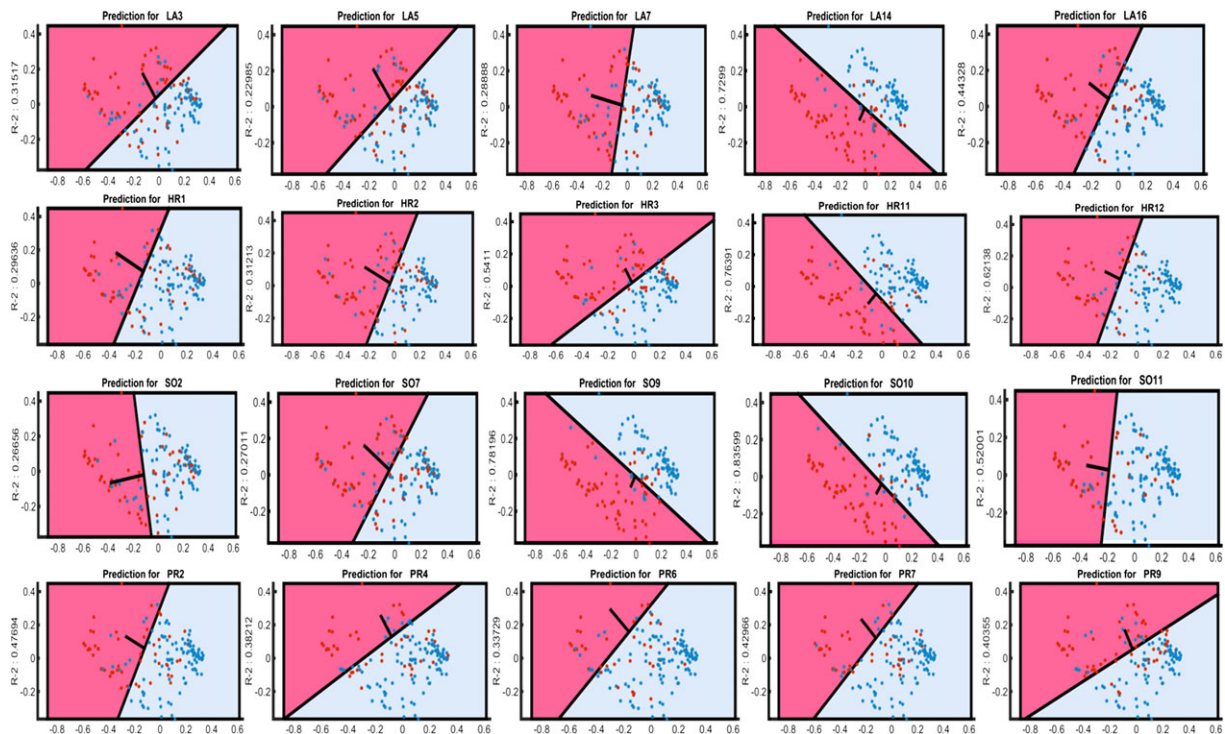


FIGURE 3 Regions of prediction of social indicators [Colour figure can be viewed at wileyonlinelibrary.com]

TABLE 4 Effect of normative pressure on the evolution of social indicators (frequencies in relation to companies that do not report)

Code indicator	R ²	Companies that do not report	
		Will report due to regulatory pressure	Will not report due to regulatory pressure
LA3	0.32	35.0	65.0
LA5	0.23	40.6	59.4
LA7	0.29	44.6	55.4
LA14	0.73	39.6	60.4
LA15	0.84	41.8	58.2
LA16	0.44	46.0	54.0
Average (LA)		41.2	58.8
HR1	0.30	40.2	59.8
HR2	0.31	42.6	57.4
HR3	0.54	52.4	47.6
HR6	0.40	42.6	57.4
HR7	0.37	48.1	51.9
HR8	0.54	50.0	50.0
HR9	0.47	38.6	61.4
HR11	0.76	47.3	52.7
HR12	0.62	20.3	79.7
Average (HR)		42.5	57.5
SO2	0.27	45.0	55.0
SO7	0.27	42.2	57.8
SO9	0.78	45.1	54.9
SO10	0.84	45.5	54.5
SO11	0.52	46.0	54.0
Average (SO)		44.7	55.3
PR2	0.48	45.0	55.0
PR4	0.38	44.4	55.6
PR6	0.34	42.0	58.0
PR7	0.43	43.3	56.7
PR9	0.40	41.8	58.2
Average (PR)		43.3	56.7
Average		43.0	57.0
Minimum		20.3	47.6
Maximum		52.4	79.7

Note. LA: labor practices and decent work; HR: human rights; PR: product responsibility; SO: society.

regulatory pressure they suffer in their country of origin. However, the remaining 57% will not do so or, if they do, it will be for reasons other than institutional force.

In the case of the dimension of labour practices and decent work, the respective percentages are 41.2% and 58.8%; for society, 44.7% and 55.3%; for human rights, 42.5% and 57.5%; and for the indicators related to product responsibility, 43.3% and 56.7%. On the other hand, indicators LA3, LA14, HR9, and HR12 associated with labour practices and decent work and human rights are expected to show the worst evolution in association with normative institutional forces, whereas indicators HR3 and HR8 will be in the opposite position.

3.4 | The HJ-biplot technique

Next, through an HJ-biplot, we will evaluate the effect or influence that each of the cultural values have on the disclosure of indicators. The application of this methodology allows us to approximate the set of indicators in a two-dimensional space, providing a useful visualisation of the structure of the countries in the sample in relation to social indicators and the variables that measure their cultural development. Therefore, we can find relationships between variables and characterise the companies according to the cultural development of their country of origin and their commitment to the disclosure of information simultaneously. The first two axes explain 55% of the variability of the data, allowing us to use the Factorial Planes 1–2 to represent the information in the following figure (Figure 4). The first eigenvalue (20.43) is significantly higher than the second eigenvalue (2.53), which means that the first (horizontal) dimension represents most of the information.

Cluster 1, located in the first quadrant, is formed by the companies with greater disclosure of sustainability in labour practices and decent work as well as in society indicators. These companies are located in countries dominated by a collectivist culture. In Cluster 2, located in the fourth quadrant, are companies whose reports are mainly characterised by the disclosure of indicators related to human rights, which is associated positively with cultures of low power distance and tolerance of uncertainty. Between the second and third quadrants, Cluster 3 brings together a group of companies that in this work are the least sustainable. It is observed that this is a group showing little activity in the reporting of social indicators; however, they are companies dominated by countries that have a feminine cultural system with a long-term vision.

The results obtained show that the favourable evolution of the indicators predicted in the previous subsection will be determined by the cultural values associated with higher levels of collectivism and tolerance of uncertainty and with less power distance. In contrast, the normative pressure associated with the cultural dimensions of femininity and long-term orientation will have no impact.

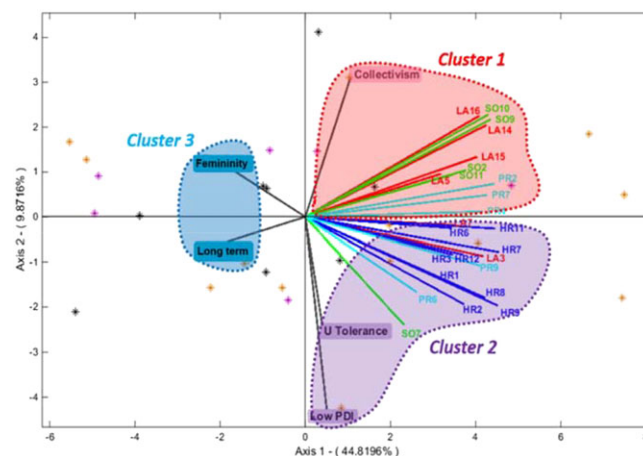


FIGURE 4 HJ-biplot with clusters [Colour figure can be viewed at wileyonlinelibrary.com]

4 | DISCUSSION

From the empirical point of view, the analyses carried out allow us to affirm that 48% of the largest companies worldwide, who should be leaders in sustainability, do not report in their sustainability reports 52% of the social indicators included in the G4 guide. In particular, revelations concerning the indicators relating to human rights are omitted, with the opacity percentage standing at 75%.

In addition, the indicators related to labour practices and decent work that companies report less frequently are related to the return to work after maternity or paternity leave, the percentage of workers whose tasks have an incidence or a high risk of illness, the presence of workers' representatives in established committees to help monitor and advise on occupational health and safety programmes, information regarding the requirements imposed on new suppliers with respect to criteria relating to labour practices, and incidents and claims that have occurred throughout the supply chain.

In the society dimension, there is a certain opacity around parameters similar to the previous ones, related to centres with a negative impact on local communities, the requirements imposed on new suppliers in relation to their impact on the local society, and incidents and associated claims that have occurred throughout the supply chain.

We find companies that show great commitment to respect human rights, labour rights, and local communities, but none report concrete mechanisms implemented to avoid violations of human rights and labour rights in all of their direct operations and through their chain of production and its commercial relations. In any case, accuracy of disclosure may add value for shareholders and stakeholders by demonstrating managerial commitment to reporting credible financial and sustainability information (García-Sánchez & Noguera-Gámez, 2017c).

The deficiencies observed for the social dimension of CSR are in line with the previous empirical evidence. Specifically, we noted that the revealed information is inferior to the recommendations established in the GRI, which limits its usefulness in decision-making processes. Our results extend the empirical evidence observed for environmental information in specific industries (i.e., Adler et al., 2017; Boiral, 2016; Kleinman et al., 2017; Leong et al., 2014; Talbot & Boiral, 2015a, 2015b) or the level of CSR information standardisation (i.e., Belal & Owen, 2015; Lock & Seele, 2016; Michelon et al., 2015).

In addition, we reinforce the findings obtained by Mio (2010), being able to affirm that even the companies that reveal greater volumes of information do not report all the necessary indicators to know the social impact of the company and to be able to evaluate the risks associated with this dimension of the CSR. Thus, according to the arguments of Boiral (2013), the fact that large companies claim that they report in accordance with GRI guidelines but do not detail all the indicators established in them legitimises the practice of camouflaging real sustainability problems, an obstacle for increasing credibility of the CSR (Hedberg & Von Malmborg, 2003). In this sense, Hoque, Rahman, Molla, Noman, and Bhuiyan (2018) finds that corporate managers practice CSR largely in a voluntary philanthropic fashion to build public image.

Our results give empirical robustness to the suggestion made by Gray et al. (2001) and those who argued that cultural dimensions should affect the outcome of CSR practices (del Mar Miras-Rodríguez, Carrasco-Gallego, & Escobar-Pérez, 2015; Scholtens & Kang, 2013). We confirm that the institutional environment is a fundamental determinant of CSR disclosure practices, not only with respect to the substantial differences observed in the quality of CSR reporting between countries (Baughn et al., 2007; Buhr & Freedman, 2001; Fekrat et al., 1996; Freedman & Stagliano, 1992; Gamble et al., 1996; Meek et al., 1995; Van der Laan Smith et al., 2005; Williams, 1999; Williams & Pei, 1999; Xiao et al., 2005), but also with regard to the amount and usefulness of reported information. Thus, strategies focused on CSR should consider not only the promotion of CSR policies but also the change in the countries' scenes (Fernandez-Feijoo, Romero, & Ruiz-Blanco, 2014).

Specifically, similar to Prado Lorenzo et al. (2013), Yusoff et al. (2014), García-Sánchez et al. (2016), and Gallén and Peraíta (2017), we show that companies located in countries with communitarian cultural systems, which are feminine, more tolerant of uncertainty, and have less power distance and greater orientation to the long term, tend to disclose more relevant and comparable social information because interest groups have greater concern for the common social welfare. However, within these normative forces, it has been observed that the cultural dimensions associated with femininity and long-term orientation will not give rise to greater transparency in relation to the most controversial indicators, which companies have less interest in reporting.

5 | CONCLUSIONS

This work has the double objective of evidencing the informative practices of the large multinational companies regarding the social dimension of CSR and determining or predicting the evolution that these practices will undergo in accordance with the regulatory pressures of the companies' country of origin. It is noted that the cultural values of a society are the true drivers of information on the social impacts of business performance and of which practices companies do not report or report less frequently than other information.

For this, we use a sample of 201 companies belonging to 29 countries from different regions of the world. To demonstrate those GRI indicators related to the social dimension of business performance that are most often omitted in the CSR reports, we conducted an analysis of the content of the sustainability reports that these companies disclosed on their websites. Using biplot methodologies, we performed an analysis to predict which normative forces are decisive in their favourable evolution and to quantify their capacity or explanatory power.

The analysis affirms that in the information disclosed in sustainability reports from the largest companies in the world, based on the GRI guide, 52% of social indicators are not reported. Significantly, the analysis highlights the fact that 75% of the indicators on human rights are disclosed only by 30%–40% of the largest companies worldwide.

The results obtained correspond to the deficiencies described in previous studies on social aspects of CSR. Specifically, this work

shows that the information disclosed does not adequately reflect the recommendations established by the GRI, even though CSR assumes that companies take into account the impact of their strategies in the decision-making process. We can even say that the companies that reveal the greatest volumes of information are not reporting all the indicators associated with the social dimension of CSR. Thus, in large companies, the ambiguity between the sustainability reports according to the GRI and the actual and timely declaration of the indicators established in the guide can be interpreted as a way of hiding information and covering up important elements of disclosure. This is an attempt to pretend that the company is committed to social expectations in order to strengthen the image of the company and achieve legitimacy and competitive advantage.

On the other hand, the cultural dimensions associated with societies that are more tolerant of uncertainty, with less power distance and a community that will generate more effective regulatory pressure on companies, promote corporate transparency. Regarding evolution in the medium and long term, we predict that, on average, social indicators will be reported by 43% more companies due to the pressures they bear in relation to the cultural values of the society that characterises their country of origin, whereas 57% of companies will not report them due to the influence of these values or regulatory pressures. The indicators associated with labour practices and decent work and human rights are the worst predictors associated with normative forces.

The depth of our analysis allows us to determine that, within the normative forces analysed, the cultural dimensions associated with femininity and long-term orientation, although they are drivers of greater corporate transparency, have no impact on the revelation of more controversial indicators companies have less interest in reporting.

Finally, this work presents various contributions to literature. First is the consideration of information on social issues, especially the dimensions of labour practices and decent work, human rights, society, and product responsibility. Previous empirical evidence has been oriented mainly to the study of information on environmental issues, placing less importance on the social dimension of CSR, despite the important impact it has in certain labour-intensive sectors and to the use of other, not natural, resources, especially within the large multinationals that relocate their production to countries with looser labour legislation.

The second contribution is related to institutional theory. Analysis of normative pressure is conducted according to the cultural dimensions of collectivism, femininity, tolerance of uncertainty, power distance, and long-term vision, forces that can aid or reinforce the responsible behaviour of an organisation regarding the demands of society. However, unlike previous studies, we have observed that although initially these forces all constitute a normative pressure that promotes corporate transparency in terms of CSR, in terms of the dissemination of information on labour practices, human rights, society, and company responsibility, the cultural values of community societies with greater tolerance of uncertainty and long-term vision are the potential drivers.

The third contribution is related to the focus of the study, aimed at analysing corporate CSR information strategies, identifying their weaknesses, and determining the evolution they will undergo due to causes

beyond the control of internal decision-makers. In this sense, this work has important implications for academia, professionals, and regulators.

Considering that culture is always a collective phenomenon that is learned, not inherited, and that influences human behaviour, it seems advisable that politicians, legislators and other organisations promote campaigns, educational systems, and the like that favour the development of values oriented towards the common social welfare. Educating managers and interest groups to promote CSR practices aimed at greater sustainability and greater corporate transparency will characterise these societies.

Nonetheless, institutional pressures are the determining factors of business behaviour, though it has been stated that they are currently insufficient to increase information on the practices that companies undertake in relation to commitments to human and labour rights, the mechanisms implemented to prevent violations in all of a firm's direct operations, and repairing the negative effects caused by incidents and claims derived from their commercial relationships and systems. This lack of information does not allow a reading of corporate risk in the matter of human, labour, and considered rights that can affect the securities market of financial institutions, savings banks, and direct decisions to conduct more transparent business practices. Analysts and regulators must demand more detailed information in this regard to limit the impact of sustainability reports that do not contain this information on their predictions and the financing agreements to which these companies have access.

Finally, this paper presents several limitations such as those relating to analysing whether or not companies report the GRI indicators but not considering the level of homogeneity in the elaboration of the indicators they report. Likewise, the initial population selected corresponds to the 500 largest companies worldwide according to Fortune Global 500 for the year 2015. In this sense, it would be interesting to delve into a greater number of companies for a data paper. Moreover, in future research, it is necessary to extend the approach of this paper to current disclosure practices of environmental indicators. Likewise, it seems advisable to consider not only the effect of coercive pressures but also that of normative and mimetic forces. Methodologically, authors could use artificial intelligence techniques in order to predict business decisions about sustainability strategies.

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How to cite this article: Cubilla-Montilla M, Nieto-Librero A-B, Galindo-Villardón MP, Vicente Galindo MP, Garcia-Sanchez IM. Are cultural values sufficient to improve stakeholder engagement human and labour rights issues? *Corp Soc Resp Env Ma*. 2019;1–18. <https://doi.org/10.1002/csr.1733>