

Surveying the relationship between social reporting and commercial performance in Tehran Exchange

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Abstract

The purpose of social accounting can be approached from two different angles, namely for management control purposes or accountability purposes. In this paper, our focus is surveying the relationship between social reporting and commercial performance in Tehran Exchange. We determined the amount of the sample size with the used of Cochran sampling method which the statistical sample is 85 of Tehran Exchange customer which have been selected through the simple random sampling method. To gathering of data, we used questionnaire. In order to analyze the data resulted from collected questionnaires deductive and descriptive statistical methods are used, and to display some statistical data we used column diagram and in deductive level to test the hypothesis of the research we used Pearson Correlation coefficients. In order to determine the relationship between the variables of the study, the SPSS tool has been used. The findings show that there is a significant relationship between social reporting and its dementing (social financial reporting and social non-financial reporting) and commercial performance in Tehran Exchange.

Keywords: *social reporting, social financial reporting, social non-financial reporting, commercial performance*

INTRODUCTION

Assuring a high level of commercial performance in today's uncertain economic conditions may be seen as a daunting or impossible challenge. We disagree. From our cross-sector global study, we have identified that the opportunities for commercial improvement within organizations, across programs and on major projects, are vast. In fact, we are excited, and committed to helping our partners find and benefit from these opportunities. To enable us to gather the knowledge and data to drive improvement we have taken the decision to establish a dedicated commercial performance team. They are responsible for exploring, identifying, collating and driving global commercial learning and improvement into our partner organizations. They have yet to discover a major project or program that has not been able to drive – and subsequently benefit from – commercial improvement (Whysall, 2011).

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Commercial performance is a measure of a commercial function's ability to help a Program meets its objectives; this includes effectively managing risks to these objectives and optimizing the outcome through consistently seeking value (Whysall, 2011).

Social accounting (also known as social and environmental accounting, corporate social reporting, corporate social responsibility reporting, non-financial reporting or accounting) is the process of communicating the social and environmental effects of organizations' economic actions to particular interest groups within society and to society at large (Gray et al. 1987). Social accounting is commonly used in the context of business, or corporate social responsibility (CSR), although any organization, including NGOs, charities, and government agencies may engage in social accounting (Gray, 2001). Social accounting emphasizes the notion of corporate accountability. D. Crowther defines social accounting in this sense as "an approach to reporting a firm's activities which stresses the need for the identification of socially relevant behavior, the determination of those to whom the company is accountable for its social performance and the development of appropriate measures and reporting techniques"(Crowther, 2000).

Social accounting is often used as an umbrella term to describe a broad field of research and practice. The use of more narrow terms to express a specific interest is thus not uncommon. Environmental accounting may e.g. specifically refer to the research or practice of accounting for an organization's impact on the natural environment. Sustainability accounting is often used to express the measuring and the quantitative analysis of social and economic sustainability.

Social accounting, a largely normative concept, seeks to broaden the scope of accounting in the sense that it should:

- concern itself with more than only economic events;
- not be exclusively expressed in financial terms;
- be accountable to a broader group of stakeholders;
- broaden its purpose beyond reporting financial success.

It points to the fact that companies influence their external environment (sometimes positively and many a times negatively) through their actions and should therefore account for these effects as part of their standard accounting practices. Social accounting is in this sense closely related to the economic concept of externality.

Social accounting offers an alternative account of significant economic entities. It has the "potential to expose the tension between pursuing economic profit and the pursuit of social and environmental objectives" (Gray et al. 1996).

There is growing interest in social accounting, but what is it? And how can it be applied to community organizations and enterprises? Unfortunately, not a lot of information is readily-available on social accounting in the Australian context, and even less on social accounting for small, member-based community organizations and enterprises. This document seeks to fill these gaps. It provides an easy to understand guide on using social accounting in small community organizations and enterprises in the Australian context.

Social accounting for small, member-based community organizations and enterprises follows these overarching steps, but the steps have to be modified to suit the scale and capacity of this group of organizations and enterprises, as follows.

- 1) Scoping – identifying key elements of your organization or enterprise
- 2) Accounting – designing and conducting your social accounting system
- 3) Reporting and Responding – reporting back to your stakeholders and responding to the findings.

Social accounting seeks to encompass a broader definition of what is counted and what is excluded. It does this by including traditionally non-monetized inputs and accounting for social and environmental outputs. Social accounting is a very ambitious practice. As we stated earlier, social accounting is a planning and management tool. Organizations engaged in the production of a social account define a platform from which to improve their activities and extend their objectives. They acquire a better planning tool to achieve their objectives; moreover, organizations can focus on carrying out their work in the right way in relation to their objectives.

What are the main aims of social accounting practices? Here we identify some of the most relevant elements that characterize this practice:

- Broadening the presentation of organizational activities: through a social report an organization can convey a wider picture of the whole range of its activities.
- Presenting all the stakeholders of an organization. Who are the subjects in contact with the organization? A social report is a tool for mapping all the stakeholders of an organization.
- Providing a more detailed view of the social performance of an organization. Organizations are usually evaluated from the perspective of financial and economic performance; social accounting is a practice that allows an organization to be considered from a different point of view.
- Engaging stakeholders in the definition of policies for the development of an organization. Social accounting is not a promotional document, but a platform that an organization can develop together with its stakeholders.
- Enacting a process of organizational learning: the construction of a social report is a way to enact a process of learning for the members of the organization.

Ullmann (1985) contributed some important new insights to CSR research. He writes about methodological and theoretical problems that are still valid. Ullmann criticizes research that was previously performed and new research directions are proposed. Ullmann reviews articles and classifies them based upon models of relationships between (1) social performance and social disclosure, (2) social performance and economic performance and between (3) social disclosure and economic performance (Ullmann, 1985).

There are some Social Accounting principles:

- Clear purpose: Ensure a clear vision/mission, values, objectives, activities, outputs and outcomes,
- Defined scope: Clarity about which aspects of work will be covered and who will be consulted this time round (Social, Economic, and Environmental),
- Engaged stakeholders. Identify relevant stakeholders and consult them as part of the social accounting process,

- Transparent: sharing findings with stakeholders,
- Determine materiality, ie what must be included to give a fair and true picture,
- Make comparisons, ie. make appropriate comparisons with self and others from year to year, using benchmarks, targets and external standards,
- Embed the process: ensure the process of social accounting becomes regular practice in the life cycle of the organization (Pearce, 2001).

Gray, Kouhy and Lavers (1995) have provided a much cited categorization of corporate social and environmental disclosure studies. Other authors have not questioned this categorization. Gray, Kouhy and Lavers talk about three broad groups of theories concerning organization-information flows. They do not explain the choice for the categories. The following categories are identified by them:

1. Decision Usefulness Studies, which partly overlap with categories 2 and 3
2. Economic Theory Studies
3. Social and political theory studies

The purpose of social accounting can be approached from two different angles, namely for management control purposes or accountability purposes. In this paper, our focus is surveying the relationship between social reporting and commercial performance in Tehran Exchange.

METHODOLOGY

This has done Tehran Exchange. We determined the amount of the sample size with the used of Cochran sampling method which the statistical sample is 85 of Tehran Exchange customer which have been selected through the simple random sampling method. To gathering of data, we used questionnaire. Questionnaires reliability was estimated by calculating Cronbach's Alpha that is shown in the table 1.

Table 1. Results of questionnaires reliability from SPSS software

Variables	Cronbach's Alpha
social reporting	0.810
commercial performance	0.79

In order to analyze the data resulted from collected questionnaires deductive and descriptive statistical methods are used, and to display some statistical data we used column diagram and in deductive level to test the hypothesis of the research we used Pearson Correlation coefficients. In order to determine the relationship between the variables of the study, the SPSS tool has been used.

ANALYSIS AND RESULTS

In this paper we have one main hypothesis and 3 sub-hypothesis. The statistical way of analysis of hypotheses is two ways, H_1 is acceptance of hypothesis and H_0 is rejecting of hypothesis. In other words, it means that H_1 has positive meaning and H_0 has negative meaning.

1- Demographical Analysis

Eighty-three percent are male and seventeenpercent are female.The responder’s degree is 10.6 percent MA or PHD, 42.4 percent BA, 40 percent Diploma and 2.4 percent have under DA degree. It means that the most of the responder have university degree. (Table 2)

Table2- Responders degree

Responder’s Degree				
		Frequency	Percent	Cumulative Percent
Valid	Under Diploma	2	2.4	2.5
	Diploma	34	40.0	42.0
	Bachelor	36	42.4	44.4
	MA or PhD	9	10.6	11.1
	Missing	4	4.7	100.0
	Total	85	100.0	

Table 3 shows the Age of the responders. The Age of responders is between 23-72. The most Frequency of age is in 32 years old and the less Frequency is in 33, 36, 47, 50, 59, 60 and 70 with 2.4 present. It shows that responders have less than 40 years old.

Table 3- the Age of the responders

Cumulative Percent	Percent	Frequency	Age
9.2	7.1	6	23.00
9.2	7.1	6	28.00
6.2	4.7	4	30.00
12.3	9.4	8	32.00
3.1	2.4	2	33.00
10.8	8.2	7	35.00
3.1	2.4	2	36.00
6.2	4.7	4	38.00
6.2	4.7	4	40.00
6.2	4.7	4	41.00
6.2	4.7	4	42.00

3.1	2.4	2	47.00
3.1	2.4	2	50.00
6.2	4.7	4	53.00
3.1	2.4	2	59.00
3.1	2.4	2	60.00
3.1	2.4	2	72.00
100.0	76.5	65	Total
	23.5	20	Missing
	100.0	85	Total

2- Hypotheses Analysis

Main hypotheses: There is a significant relationship between social reporting and commercial performance in Tehran Exchange.

Table 4: Results of Correlation coefficient between social reporting and commercial performance in Tehran Exchange

commercial performance			Correlation coefficient
n	p	r	social reporting
85	0.000	0.431	

According to Table (4), the correlation between social reporting and commercial performance in the $p \leq 0.05$ had been significant, so there is a relationship between social reporting and commercial performance in Tehran Exchange.

Sub-hypotheses1: There is a significant relationship between social financial reporting and commercial performance in Tehran Exchange.

Table 5: Results of Correlation coefficient between social financial reporting and commercial performance in Tehran Exchange

commercial performance			Correlation coefficient
n	p	r	social financial reporting
85	0.000	0.500	

According to Table (5), the correlation between social financial reporting and commercial performance in the $p \leq 0.05$ had been significant, so there is a relationship between social financial reporting and commercial performance in Tehran Exchange.

Sub-hypotheses2: There is a significant relationship between social non-financial reporting and commercial performance in Tehran Exchange.

Table 6: Results of Correlation coefficient between social non-financial reporting and commercial performance in Tehran Exchange

commercial performance			Correlation coefficient
n	p	r	social non-financial reporting
85	0.000	0.372	

According to Table (6), the correlation between social non-financial reporting and commercial performance in the $p \leq 0.05$ had been significant, so there is a relationship between social non-financial reporting and commercial performance in Tehran Exchange.

The findings show that there is a significant relationship between social reporting and its dementing (social financial reporting and social non-financial reporting) and commercial performance in Tehran Exchange.

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