

Construction of an Evaluation System for Corporate Social Responsibility Accounting Information Disclosure

Yonghan Qin^{1,a,*}, Manhua Yao^{1,b}

¹Philippine Christian University, Manila, Philippine

^aqinyonghan1997@gmail.com, ^byaomanhua151@gmail.com

*Corresponding author

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Abstract: Accounting information disclosure refers to the process by which an enterprise obtains internal accounting information through accounting and other means, and ultimately presents it to the users of the information in the form of reports. It can only accurately reflect various internal problems of the enterprise by ensuring its authenticity and reliability. In corporate social responsibility, there is a lot of information that can be reflected through accounting information disclosure. Therefore, this article combines the two to establish an evaluation system that can fully reflect whether the enterprise has fully fulfilled its responsibilities and obligations.

1. Introduction

The relevant theories of accounting information disclosure believe that information asymmetry is one of the reasons leading to the accounting information market, government regulation of enterprises, and internal strategic orientation of enterprises. Accounting information disclosure can effectively solve this problem, allowing more people to participate in the supervision and management of enterprises.

Although the theory of corporate social responsibility is not definitive among a large group of researchers, it can be summarized as some obligations or responsibilities that enterprises need to undertake internally and externally, which are closely related to the development of enterprises and society. Zaman R believed that studying corporate social responsibility can promote the development of enterprises [1]. Barauskaite G believed that in addition to pursuing profit maximization, enterprises should also make voluntary contributions to social welfare [2]. Carroll A B believed that fulfilling corporate social responsibility can to some extent output their own influence [3]. Of course, there are also different voices emerging. Dmytriye S D believed that corporate social responsibility and stakeholder theory should not be completely linked, otherwise it would be misleading [4]. Even Amorelli M F has studied the impact of gender diversity in board meetings on corporate social responsibility [5]. It can be seen that fulfilling corporate social responsibility is not a matter that can be directly measured by interests, but in the long run, it still affects the development of the enterprise.

In order to fulfill corporate social responsibility well, this article believes that good accounting

information disclosure is a good way. For example, Sumritsakun C believed that whether accounting information disclosure can be done well is related to the sustainable development of enterprises [6]. Meanwhile, Said R also believed that accounting information disclosure would directly affect a company's strategic management [7]. Bala H proposed that large companies in Nigeria need to expand the scale of accounting information disclosure [8]. Gomes P believed that accounting information disclosure is an important link in the reform of international public sector accounting standards [9]. Accounting information disclosure is also a manifestation of social responsibility. Dhar B K believed that some heavily polluting enterprises have seriously damaged the natural environment and require accounting information disclosure to disclose and regulate it [10]. It can be seen that accounting information disclosure and corporate social responsibility fulfillment have similarities and differences.

2. Liquidity Risk Infection Mechanism

In today's increasingly complex and unpredictable market environment, it is very easy for each enterprise to cause Liquidity risk due to its own lack of liquidity, and this liquidity risk would also lead to rapid contagion due to the high degree of contact between enterprises. This can disrupt the stability of the financial system, which Wang L agreed with and also believed that addressing accounting information disclosure can alleviate this problem to some extent [11].

Ahamed F believed that liquidity risk is influenced by many factors, including inflation, gross domestic product, and the size of enterprises or banks [12]. The liquidity risk is mainly reflected in the financial participants, such as the enterprises or banks mentioned above, which are affected by the internal and external environment, resulting in insufficient liquidity, the inability of short-term asset value to pay short-term loads and financing difficulties.

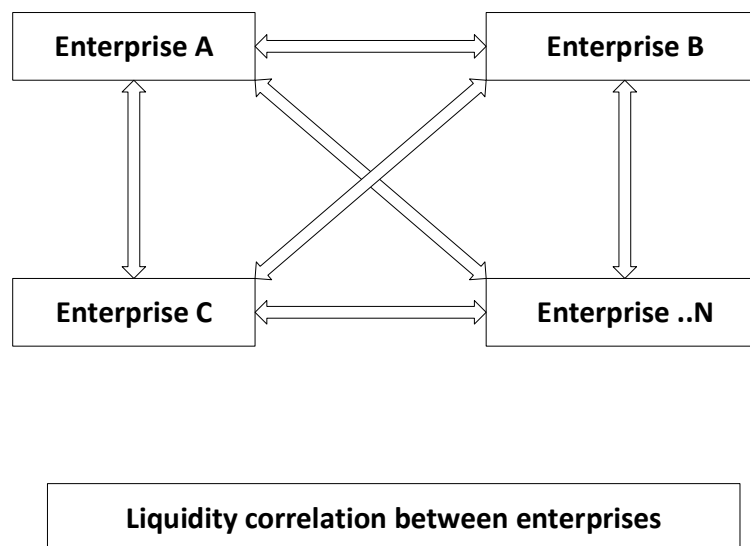


Figure 1: Liquidity correlation between enterprises

The liquidity relationship between enterprises is shown in Figure 1, which shows that in today's complex market environment, the liquidity relationship between enterprises is very close, and each enterprise is connected through business. Alaoui Mdaghri A believed that in the context of the epidemic, the popularity of the stock market has been affected to a certain extent, which requires stronger correlation between enterprises to overcome difficulties [13].

Table 1: Possible problems in enterprise operation

Financial events	Enterprise management issues
Unstable environment	Mismanage
Insufficient liquidity	Sudden outflow of funds
Financing difficulties	Short-term assets insufficient to pay short-term liabilities

According to Table 1, the possible problems that may arise in the operation of enterprises can be roughly divided into two aspects: financial events and the operational problems of the enterprise itself. This table roughly lists several possibilities. Financial events are mainly caused by external market conditions, which may include environmental instability, insufficient liquidity, and financing difficulties. Enterprise operations are mainly caused by internal business decision-making errors, which may include management errors, sudden fund outflows, and short-term assets temporarily insufficient to pay short-term liabilities.

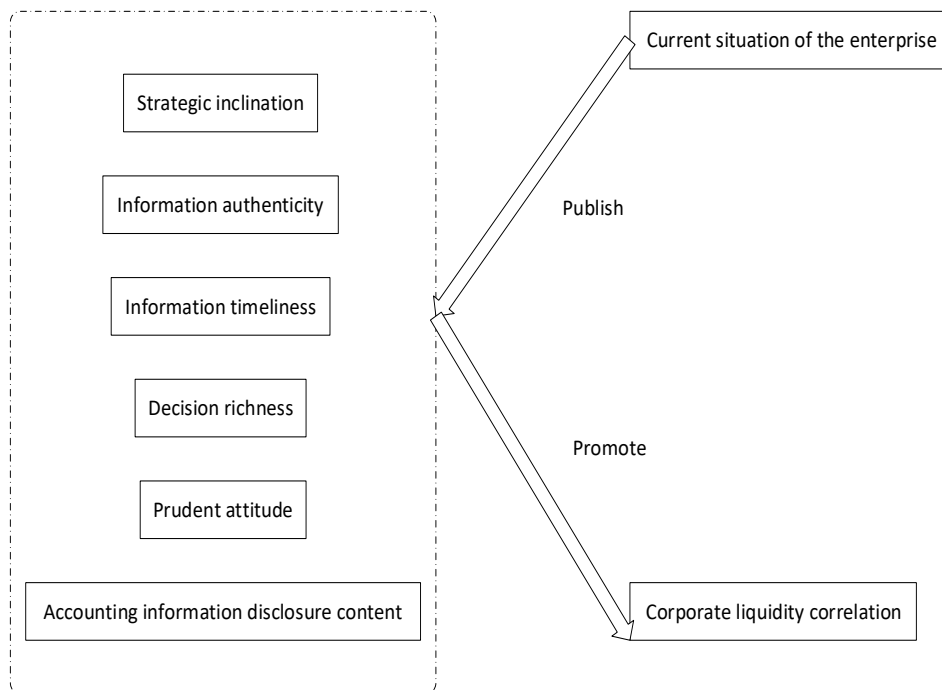


Figure 2: The role and process of accounting information disclosure

According to Figure 2, the main objects of accounting information disclosure are the various current situations of enterprises and can promote liquidity relationships between enterprises. The main content of disclosure mainly includes issues such as the decision-making tendency of the enterprise, information authenticity, information timeliness, decision-making richness, and cautious attitude. These factors would directly affect the development and operation of enterprises.

3. Corporate Social Responsibility

CSR (Corporate Social Responsibility) does not have a clear definition in today's society, and various scholars have different opinions on it. At present, the mainstream definition is that the operation of a company meets or exceeds the social expectations of industrial and commercial institutions in the ethical, legal, commercial, and public spheres. There are also cases where

shareholders take into account social and environmental factors in commercial activities and when contacting stakeholders on a voluntary basis. It can be seen that although there are slight differences in various mainstream theories in specific definitions, the core idea is still similar. Essentially, enterprises need to fulfill some of their social responsibilities in normal business operations, including but not limited to public welfare activities, providing job requirements, and environmental protection. For example, Qi L Y believed that corporate social responsibility is mainly composed of seven indicators, namely responsible governance, human rights, environment, fair operation, product responsibility, community development, and economic contribution [14].

3.1 Relationship between Corporate Social Responsibility and Employee Performance

Employee performance refers to the benefits that employees within a company contribute to the work done by the company. Generally speaking, it is linked to the workload, completion rate, and quality of completion of employees, and the company also distributes commissions based on employee performance to encourage employees. Liu J believed that employee performance is also influenced by corporate social responsibility [15]. Because among the social responsibilities that many enterprises need to bear, one of the more important ones is the responsibility to employees. As an important component of the enterprise, employees are responsible to their employees and improving welfare can often improve their work efficiency, and ultimately provide feedback to themselves. The social exchange theory plays an important role in the relationship between the two, as it believes that everyone would exchange material or intangible resources with other people, organizations, or groups. Adhering to the idea of mutual benefit, people would maintain a balanced state of the exchanged resources, which is reflected in the labor force and salary provided by the enterprise between the enterprise and its employees. Meira J V S established a conceptual model based on social exchange theory for a hotel and its employees, and studied the relationship between the two [16].

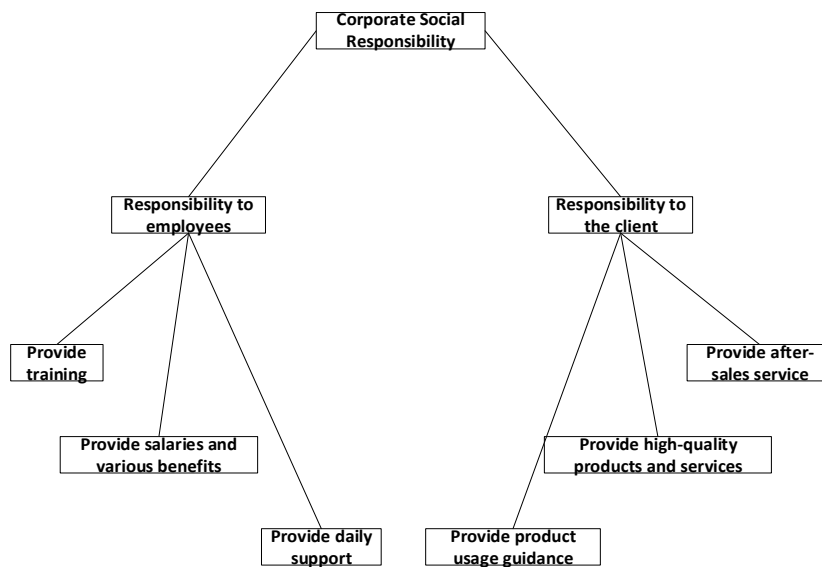


Figure 3: Corporate responsibility to employees and customers

From Figure 3, it can be seen that the responsibility of a company to its employees is mainly reflected in providing training, salary and benefits, and providing assistance in daily life, while the responsibility to customers is mainly reflected in providing high-quality products and services, providing after-sales service, and providing product usage guidance. These two levels of

responsibility relationships are clearly based on social exchange theory, where there is a relationship between labor and remuneration between employees and enterprises, and a relationship between products, services, and prices between customers and enterprises.

This paper would conduct a simple social experiment on a small enterprise, and draw 50 grass-roots employees' views on different salary ranges. Obviously, different salary ranges represent different workloads. The salary structure of the company is composed of a base salary of 3000 yuan and an uncapped performance commission. However, due to the limitations of work efficiency, there is almost no salary range exceeding 10000 yuan. Therefore, the questionnaire survey mainly divides the salary into the following four ranges.

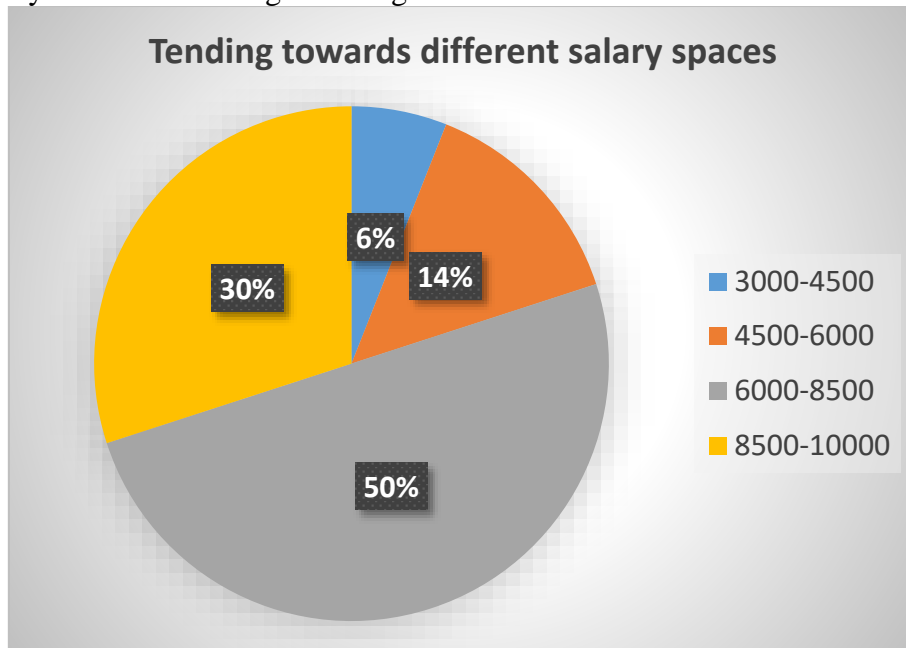


Figure 4: Survey of employees' tendencies towards different salary spaces

Figure 4 shows the results of a questionnaire survey, dividing the salary space of the company into four intervals: 3000-4500, 4500-6000, 6000-8500 and 8500-10000. The number of people choosing the lowest range of 3000 to 4500 is the lowest, only 3 people, while there are 7 people choosing the range of 4500 to 6000. The number of people choosing the range of 6000 to 8500 is the highest, up to 25 people. Although the number of people choosing the highest range of 8500 to 10000 has decreased, there are still 15 people. From this result, it can be seen that most employees still hope to earn more compensation. If 6000 yuan is considered as a watershed, only 10 employees tend to be below 6000 yuan, while 40 employees tend to be above 6000 yuan, accounting for 80% of the total number of employees counted. Interestingly, it is not that the higher the salary range, the more inclined the employees are. The number of employees in the highest range is smaller than that in the second highest range. This indicates that these grassroots employees may need to put in too much labor if they want to receive a compensation of 8500-10000 yuan in the company. Such high intensity labor is not acceptable to most employees, so they choose the second highest range in the second place. This also indicates that the salary balance point between the company and these grassroots employees based on social exchange theory is approximately between 6000 and 8500 yuan. Compared to the base salary of 3000 yuan, this salary figure has indeed increased significantly. Therefore, the additional labor earned by the company can also bring considerable additional income to the company, indicating that corporate social responsibility does have a positive effect on employee performance. Singh K also maintained recognition of this point, as he believed that fulfilling corporate social responsibility can be linked to performance [17].

3.2 Supervision of Corporate Social Responsibility by Society

The social responsibility of enterprises includes salary and benefits related to commercial activities, product pricing, and after-sales service, which are generally influenced by the market environment and can be self-regulated to some extent. If the above links are imbalanced, there would inevitably be issues such as employee job hopping, negative work, affecting sales, or customer complaints. In addition, there are many other factors that are not affected by market rules, so it needs to be regulated by society, and companies also need to self-disclose social responsibility information. Yang S proposed that improving the quality of corporate social responsibility information disclosure can help enhance the market value of enterprises [18]. These factors mainly include environmental information, human rights issues within enterprises, and investment decisions. Many heavy industry enterprises generally emit waste gas and wastewater in order to manufacture products, and compliance and reasonable emissions are the issues that these enterprises need to consider. At the same time, human rights issues and investment decisions are also issues worth monitoring. Although these factors are not directly involved in commercial activities, improper behavior in the short term would not cause significant waves. However, for example, if there is a major mistake in investment decisions, it may have a significant impact on the operation of the next few years. The larger the enterprise, the more difficult it is to adjust these errors, just like a 10000 ton ship is difficult to adjust its channel in a timely manner. Only by timely disclosure of these issues by enterprises, as well as supervision and restraint of various behaviors by society and the government, can a win-win situation be created.

4. Construction of Accounting Information Disclosure System

In order to restrain liquidity risk and fulfill corporate social responsibility, this paper proposes to establish a complete accounting information disclosure system. Xie B S proposed that in accounting, it is very necessary to conduct statistics on biological assets. In recent years, many cases of accounting information fraud in agricultural enterprises have been caused by the lack of statistics on biological assets [19]. In the context of big data, emerging information technology provides better ways and opportunities for enterprises to disclose accounting information.

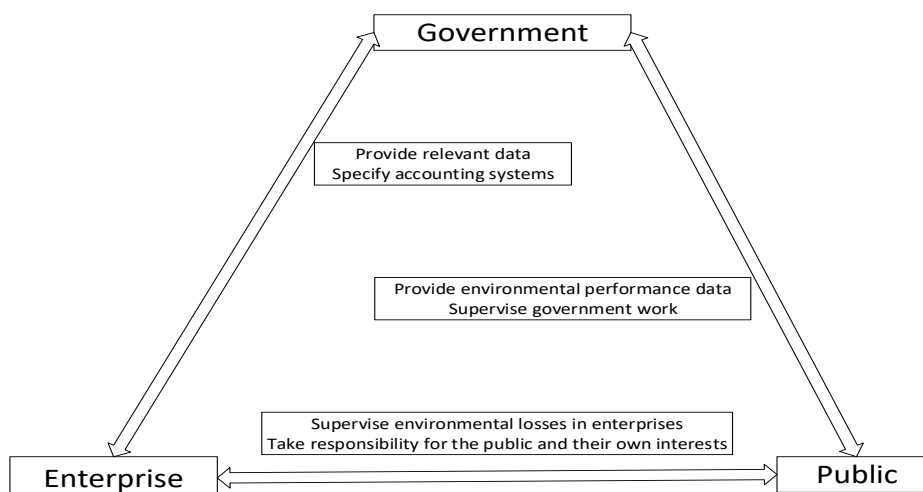


Figure 5: Tripartite accounting information disclosure system based on government, enterprises, and the public

As shown in Figure 5, the accounting information disclosure system is based on three parties:

government, enterprises, and the public. Between enterprises and the government, enterprises need to provide relevant data, and the government also needs to develop accounting systems. Between enterprises and the public, enterprises need to be responsible for the public and their own interests, and the public should also supervise the environmental losses of enterprises. Between the government and the public, the government needs to provide environmental performance data to the public, and the public should also supervise the government's work.

In addition to establishing a macro level system, there is still a lot of specific work required. Zhu Y B studied the system of environmental accounting information disclosure in his research [20]. This article believes that there are many advantages to it. Firstly, the Ministry of Education should establish more finance and accounting majors for financial and economic colleges, and make a good reserve of accounting related talents. Although it was mentioned earlier that the government needs to establish accounting systems, it is not specific. Specific measures include standardizing the content and methods of accounting information disclosure, and the government needs to strengthen its supervision of enterprises. The paper also argues that the public should not only monitor the disclosure of accounting information by enterprises, but should also establish a mature institution or organization to reasonably express their opinions in addition to monitoring, and to compare the enterprises under their supervision, to compare their disclosed accounting information, to carry out a system of score rating, and to publish the final score to the public so that as many people as possible can understand the internal situation of these enterprises.

5. Conclusions

By introducing the hazards of liquidity risk contagion and preventive measures, this paper clearly points out the problem that many enterprises have to face, explains the importance of fulfilling corporate social responsibility for enterprises, and finally leads to the important and powerful means of accounting information disclosure to solve the above problems. However, there are also some flaws in this article, which is that it did not apply the evaluation system for accounting information disclosure designed in this article to any actual situation.

However, in general, the evaluation system designed in this paper is of reference value. This paper also hopes that the accounting information disclosure system can be more complete, so as to reflect more problems of enterprises and make them take more responsibilities.

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