

# Comparative Analysis of the Dominant Themes in CSR Reporting Discourse in Bangladesh: A Structured Literature Review

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## ABSTRACT

**Objective** – The objective of this paper is to provide a structured literature review of CSR reporting discourse in the context of a developing country, namely Bangladesh, with a focus on three dominant themes: i) the driving forces for CSR reporting, ii) the methodological approaches employed by researchers while studying CSR disclosures, and iii) the theoretical frameworks utilized in explaining the same.

**Methodology/Technique** – In this paper we have employed a structured literature review (SLR) approach and reviewed more than 60 articles from highly ranked accounting and business, ethics and management journals, published over the past two decades. By opting for the SLR approach, we intend to contribute to the extant literature from a methodological perspective since SLR has been relatively underutilized in accounting research.

**Findings** – The paper reveals that while some determinants of CSR disclosure are ubiquitous in both developed and developing countries, the motivation for disclosing social and environmental information is, to a considerable extent, context specific. Specifically, for developing countries like Bangladesh, CSR reporting is driven by survival concerns, emanating from pressure created by global stakeholders, competitive dynamics and sometimes, the ‘shadow of the state’. The paper also finds CSR to be under-theorized in Bangladesh, with too much reliance on the legitimacy framework. Given the socio-economic context of Bangladesh, future research should make use of alternative theories drawn from the social and political domain to enable deeper understanding of CSR reporting.

**Novelty** – This paper is one of the first attempts to review CSR literature in the specific context of Bangladesh, which offers an interesting case to study owing to the dual influence of export-led growth on one hand and elements of traditionalism, on the other. The novelty of this paper lies in its attempt to study three dimensions, viz. determinants, theoretical perspectives and methodological approaches in coalition, and thus offer an integrated perspective, which is missing in previous studies.

**Type of Paper:** Empirical

**Keywords:** CSR Reporting; Motivations; Theoretical Frameworks; CSR in Bangladesh; Literature Review.

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**JEL Classification:** M14, M9,

## 1. Introduction

Decision making related to the combination of capital structure is a very sensitive issue, because a company should perform well to maximize its value and shareholder’s wealth. Therefore, company’s factors as an internal factor and market conditions as an external factor should be considered to decide the optimal proportion of capital structure, whether to using debt or equity.

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Research on CSR reporting has a history stretching back over many decades (Gray et. al, 1995). A wide variety of studies on CSR reporting, spanning across different geographical boundaries and time periods has been conducted, engaging alternative theoretical perspectives and employing many different research methods, while raising a wide range of research questions.

There has, in recent times, been an increasing interest in understanding CSR reporting, particularly in developing countries. However, many of these studies fail to investigate fully the contextual factors that influence CSR and reporting in these countries, preferring to rely on theories and hypotheses developed from studies undertaken in the West, particularly the US, UK and Australasia (Tilt, 2016). Essentially, research on Corporate Social Responsibility Reporting (CSR) practices in the context of emerging economies has moved on from descriptive type studies (Hackston & Milne, 1996; Mathews, 1997; Belal, 2001; Tsang, 1998; Hegde et. al., 1997; Jaggi & Zhao 1996) reporting poor levels of CSR disclosures, to studies focused on identifying the drivers of CSR reporting in corporations (Momin & Parker, 2013; Belal & Roberts, 2010; Islam & Deegan, 2008).

It may be argued that this is appropriate as many emerging economies are experiencing growth and moving towards having a more market-based orientation. Notwithstanding this, a large number of these countries have entirely different socio-political environments, with different political regimes, legal systems and cultural influences. These factors have a significant effect on the applicability of theories and approaches to explain the phenomenon of reporting.

Due to the great variety of empirical studies on CSR reporting, literature reviews have also taken different approaches (for example, see, Belal & Momin, 2009; Gray et. al., 1995; Fifka, 2013; Ali et. al, 2017). Without denying the benefits of the previous reviews, this paper responds to Tilt (2016) and aims to provide a timely review of relevant CSR reporting literature to offer a comparative analysis of the dominant themes in the CSR discourse in a specific developing country context, namely Bangladesh, against the backdrop of the extant literature for other countries around the world. The chosen methodology is a structured literature review (SLR) approach. The paper intends to make three major contributions in CSR literature:

- to highlight key elements of the CSR discourse in Bangladesh, viz. the driving forces for CSR reporting, the methodology used by the researchers while studying CSR disclosures and the theoretical frameworks utilized in explaining the same;

- to compare these three elements with the literature for other countries around the world, so as to offer a critique on the gaps that exist in the CSR reporting research agenda in Bangladesh; and

- to integrate these to propose a direction for future research in CSR reporting.

Before moving on further, it is pertinent to explain why Bangladesh was chosen as the focal point of the study. Bangladesh is one of the five fastest growing countries in the world (The World Bank, 2019). This growth has predominantly been led by the export sector (ADB, 2016; The World Bank, 2019), which makes multilateral agencies and foreign buyers potentially powerful influences on corporate decision making. But in terms of governance, the country exhibits traits of a traditionalist society, with family led corporations and state influence over corporate decision making (Uddin & Choudhury, 2008; Muttakin & Khan, 2014; Uddin et. al, 2018). Such a dichotomy of influences makes Bangladesh an interesting case to study. Additionally, although a number of studies in CSR literature has focused on Bangladesh, due emphasis has not been placed on discussion of the context and the theoretical assumptions made. This paper focuses on Bangladesh as a context and identifies the gap in the CSR research in Bangladesh.

The novelty of this paper can be attributed to three factors. First, it is one of the first attempts to review CSR literature in the specific context of Bangladesh. As contended by Tilt, (2016), context can be an extremely important factor in the study of CSR since the socio-political realities of many developing countries diverge from those of the West. Second, although there is an abundance of literature reviews on the CSR discourse, most have studied a single dimension of CSR reporting such as its motivations (Fifka, 2013)

or its theoretical underpinnings (Omran & Ramdhony, 2015). This paper aims to offer an integrated perspective by looking into three dimensions of the CSR research agenda – determinants, theoretical perspectives and methodological approaches, and drawing a comparison between Bangladesh and the global context for each theme. Finally, it is expected that the findings may be generalizable to countries with similar growth stories, governance structures and socio-cultural context, thus enhancing their value beyond the contextual framework of Bangladesh.

The rest of the paper is organized as follows: the next section reviews the CSR studies and highlights the most cited papers; section three explains the methodology employed in this paper while section four presents the findings. Finally, section five discusses the research gap identified from the findings while section six highlights the contribution of the review with a focus on possible research agenda.

#### Literature Review

Several reviews have collated the existing CSR disclosure literature and posed important research questions (Gray et. al., 1995; Mathews, 1997; Gray, 2002; Parker, 2005; Belal & Momin, 2009; Parker, 2011; Fifka, 2013; Parker, 2014; Ali et. al., 2017). Ali et. al. (2017), for instance, examine whether the determinants of CSR reporting differ between developed and developing countries, while Fifka (2013) examines whether there are differences in the variables studied by researchers in trying to capture the essence of CSR reporting across the developed/developing country spectrum. Meanwhile, other authors such as Omran and Ramdhony (2015) and Islam (2017) have chosen to review the literature through alternative theoretical lenses, thereby shedding light on the rationale behind CSR.

A summary of all the empirical papers and review papers studied for the present review is presented in the following table. For the empirical papers, all three aspects of CSR reporting that we have chosen to review, namely, the determinants, the theoretical perspectives and the methodological approaches are highlighted for each of several countries, thus allowing ample scope for comparison with the Bangladesh context. The table also allows one to examine the alignment between these three aspects, which is rarely found in previous reviews, and which, therefore, constitutes a major contribution of the present review.

Table 1. Summary of papers reviewed, with focus on determinants/motivations identified for CSR reporting, theoretical frameworks used and methodological approach employed

<b>EMPRICAL PAPERS</b>				
<b>Authors</b>	<b>Countries Studied</b>	<b>Salient Determinants/Absence Thereof<sup>1</sup></b>	<b>Theoretical Framework Used<sup>2</sup></b>	<b>Methodology Adopted</b>
Azim, Ahmed & Islam (2009)	Bangladesh	Resource constraint (-); Lack of awareness and expertise (-); Self-Regulation (-)	None	Content analysis of annual reports & website disclosure
Belal & Cooper (2011)	Bangladesh	Absence of formal regulation (-), Managerial awareness (+), lack of resources (-), Fear of negative publicity (-)	None	Sem-structured interview with managers
Belal & Owen (2007)	Bangladesh	External pressure from foreign buyers (+); Creation of positive public image (+)	None	Sem-structured interview with managers
Hossain, Islam & Andrew (2006)	Bangladesh	Profitability (+); Industry (+); Debentures in capital structure (+); MNC Subsidiary (0)	None	Content analysis and regression analysis
Hossain, Rowe &	Bangladesh	Creation of positive public image	LT, ST, IT	Content analysis of

<sup>1</sup> + = positive influence, - = negative influence, 0= no influence, +/- influence can be positive or negative

<sup>2</sup> LT = Legitimacy theory; ST = Stakeholder Theory; IT = Institutional Theory

Quaddus (2012)		(+); Competition (+); Compliance pressure (+); Global codes & standards (+); Firm size (+)		annual reports
Islam & Deegan (2008)	Bangladesh	External pressure from foreign buyers, global community (+); Creation of positive public image (+)	LT, ST, IT	Interview with managers and content analysis of annual reports
Khan (2010)	Bangladesh	Female representation in the board (0); Foreign nationals in the board (+); Executive directors in the board (+); Leverage (0)	LT	Content analysis of annual reports and regression analysis
Masud, Bae & Kim (2017)	Bangladesh	Compliance pressure (+); Pressure from institutional investors (+)	LT, ST	Content analysis of annual reports
Momin & Parker (2013)	Bangladesh	Socio-cultural influences (-), Parent company requirements and culture (+), Lax regulatory framework in host country (-)	LT, IT	Collective case study, using interviews and review of documentary evidence
Muttakin & Khan (2014)	Bangladesh	Industry (+); Firm size (+); Export orientation (+); Family ownership (-); Profitability (+)	LT	Checklist method and regression analysis
Sobhani et al (2011)	Bangladesh	Mimetic tendency (+)	IT	Content analysis and trend analysis through equation modelling
Uddin, Siddiqui & Islam (2018)	Bangladesh	Political influence (+)	Traditionalism	Thematic content analysis of annual reports, newspaper reports & other documentary evidence
Adams (2002)	UK	Managerial attitude (+/-); Size (+); Desire to enhance reputation (+)	None	Interview
Aerts, Cormier & Magnan (2006)	Germany, France & Canada	Mimetic tendency (+); External monitoring (-)	IT, LT	Content analysis and regression analysis
Ali et al (2019)	Pakistan	Size (+); Profitability (+); Environmental sensitivity (+); MNC subsidiary (+); Social Visibility (+); Competitive intensity (+)	LT	Content analysis and regression analysis
Amran & Devi (2008)	Malaysia	Government influence (+); Influence of foreign affiliate (0); Socio-political factors (+)	IT	Content analysis of annual reports
Alciatore, Dee & Easton (2004)	USA	Regulatory pressure (+)	None	Content analysis of environmental reports
Baalouch, Ayadi & Hussainey (2019)	France	Third party verification of environmental information (+); Regulatory pressure (+); Gender diversity in board (+); Independent directors in board (0)	IT	Content analysis of annual and stand-alone reports and regression analysis
Baskins (2006)	21 Emerging	Regulatory encouragement (+);	None	Content analysis of

	Markets	Civil society activism (+); Global codes and standards (+); Desire for global market access (+)		annual reports, sustainability reports and website information
Bebbington, Higgins & Frame (2009)	New Zealand	Strategic positioning (+); Perceived rewards from reporting (+); Institutional conformity (+)	IT	Semi-structured interview with individuals from SD reporting workshop
Brammer & Pavelin (2008)	UK	Firm size (+); Environmental sensitivity (+); Media exposure (0)	None	Content analysis of voluntary environmental disclosure
Chih, Chih & Chen (2010)	34 Countries	Competitive intensity (+); Financial performance (0); Firm size (+); Self-regulation (+); Regulatory enforcement (+); Shareholder rights (-)	None	Econometric modelling
Chiu & Wang (2014)	Taiwan	Foreign buyers (+); Foreign listing requirements (+); Firm size (+); Media visibility (+)	ST	Survey method
Dube & Maroun (2017)	South Africa	Legitimacy threatening events (+); Awareness (+); Size (0)	LT	Content analysis
Fernandez (2014)	EU Region	Internationalization process (+); Institutional incentives (+); Regulation (+); Mimetic pressure (-)	IT	Questionnaire survey and econometric modelling
Haniffa & Cooke (2005)	Malaysia	Size (+); Industry (+); Financial performance (+); Cultural influence (+); Corporate governance (+/-)	LT	Content analysis
Mahadeo, Soobaroyen & Hanuman (2011)	Mauritius	Size (+); Industry (0); Leverage (+); Profitability (0)	LT	Content analysis and regression analysis
Nikolaeva & Bicho (2011)	Multiple Countries	Competitive intensity (+); Media pressure (+); Visibility (+); Publicity Efforts (+)	None	Econometric modelling
O' Donovan (2002)	Australia	Desire to create positive public image (+); Legitimacy threatening events (+)	LT	Sem-structured interview with managers
Oh, Chang & Martynov (2011)	Korea	Institutional ownership (+); Foreign ownership (+); Managerial ownership (-)	Agency Theory	Regression analysis
Pradhan & Nibedita (2019)	India	Size (+); Asset tangibility (+); Profitability (+); Systematic risk (-); Leverage (-); Age (0)	None	Regression analysis
Rahaman (2000)	Ghana	Pressure from international lenders (+); Regulatory pressure (+); Managerial attitude (+/-); Desire for overseas listing (+)	None	Interview with managers
Razak (2015)	Saudi Arabia	Size (+); Profitability (+); Visibility (+)	LT	Regression analysis
Simmons (2013)	Multiple countries	Institutional norms (+); Board level CSR committee (0); Business	LT, ST, IT	Regression analysis

		complexity (0); Profitability (0); Systematic risk (0)		
Reverte (2009)	Spain	Size (+); Media Exposure (+); Environmental sensitivity (+), Profitability (0), Leverage (0)	LT	Regression analysis
Su (2019)	China	Religious influences (+/-)	None	Content analysis
Tagesson, et al (2009)	Sweden	Profitability (+); Size (+); State ownership (+); Private ownership (-)	LT, ST & Agency Theory	Content analysis of financial statements and websites, regression analysis
Thijssens, Bollen & Hassink (2015)	Multiple countries	Stakeholder legitimacy (+); Stakeholder power and urgency (0); Legal requirement (+)	ST	Multivariate analysis
Thorne, Mahoney & Manetti (2014)	Canada	Firm size (+); Scrutiny by external stakeholders (+); Lack of regulatory pressure (-)	LT, ST, Signaling Theory	Questionnaire survey
Tran (2018)	Japan & USA	Independent directors in the board (+/-)	ST	Regression analysis
Vormedal & Ruud (2009)	Norway	Lack of policy framework (-), Absence of media and civil society activism (-), Global presence (+)	ST	Content analysis of annual reports & other environmental disclosure
<b>REVIEW PAPERS</b>				
<b>Authors</b>	<b>Countries Studied</b>	<b>Objective/Focus</b>		
Aguinis & Glavas (2012)	Multiple	Identifying the mechanism which link CSR predictors to outcomes and analyzing the application of different theoretical perspectives		
Ali et al (2017)	Multiple	Identifying the determinants of CSR reporting in developed and developing countries		
Fifka (2013)	Multiple	Identifying the determinants of CSR reporting in developed and developing countries		
Hahn & Kuhnen (2013)	Multiple	Identifying the factors which affect the adoption, extent and quality of sustainability reporting		
Islam (2017)	Multiple	Using Legitimacy theory (LT) to explain CSR reporting in developing countries		
Omran & Ramdhony (2015)	Multiple	Examining the utility of different theoretical perspectives in explaining CSR in developed and developing countries		
Tilt (2016)	China, Saudi Arabia & Sri Lanka	Highlighting the influence of contextual issues on CSR reporting		

## Methodology

This paper uses Structured Literature Review (SLR) to identify the themes mentioned in section one. The structured literature review (SLR) approach embraces the fundamental principles of a literature review and is used across disciplines (Hart, 1998).

According to Tranfield et. al. (2003, p. 212), SLR has been widely used in other disciplines, primarily medical research, but it has not been used in management or accounting literature much, let alone CSR literature. This vacuum has also been mentioned by Massaro et. al. (2016). Hence, in addition to contributing to the extant literature from a contextual perspective, this review aims to contribute to accounting and CSR

literature from a methodological perspective by using the SLR approach to provide learned insights on future research agenda.

Although the SLR is classified as based on rigid rules, its ultimate implementation is flexible since ‘all research is a journey and not a strict series of events’, and ‘the researcher may expand the boundaries of the literature research or add new criteria to an analytical framework once an initial analysis uncovers new and relevant attributes (Massaro et. al., 2016 p.772).

In this review, we have used more than 60 papers (as shown in the Table in Section Two) from highly ranked accounting journals and business, ethics and management journals. We also employed the Google search engine to locate more articles on CSR reporting. We browsed those publications/articles, determined their significance and then further downloaded the relevant ones from the citations of the downloaded articles. We searched articles within the timeline from 2000-2018. The initial focus of our review was on publications that explicitly concentrated on CSR Reporting. The search began using the terms “CSR Reporting Practices”, “CSR Reporting Practices in Developing countries”, “CSR in Bangladesh”, “Corporate Social Responsibility and Reporting”. In the second round, additional literature was identified from the reference lists, citation record and ‘Related Articles’ category in Google Scholar of the initial journal articles.

The articles were initially classified by context (developing and developed countries). We then reviewed selected articles to have a deeper understanding of CSR reporting and identified three themes as recurring through most of the papers. The analytical framework shown below was developed focusing on these three themes, namely, determinants, methodological approaches and theoretical perspectives. Studies using Bangladesh as the nucleus of their research were reviewed first and then, the literature for other countries was reviewed with the objective of finding similarities, differences and potential research gaps in relation to each of these three themes. The findings thus obtained are presented in Section Four followed by discussion in Section Five.

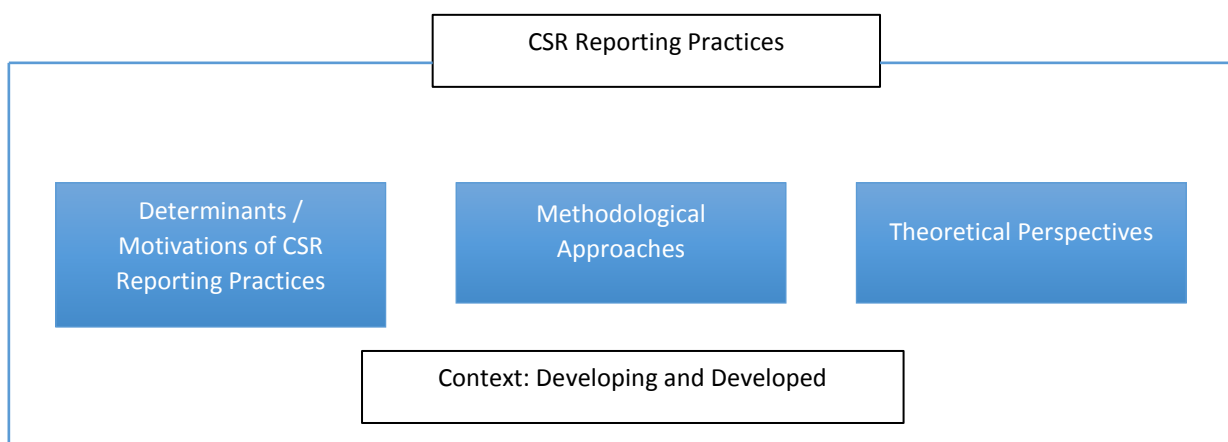


Figure 1. Literature Review Framework

## Findings

This section is divided into three sub-segments, dedicated respectively, to one of the three dominant themes identified in the framework above. In tandem with the stated objectives of our paper, review of the Bangladesh literature in relation to each theme is presented and then interlinked with a comparison with the global context.

### Theoretical Perspectives Used to Explain CSR Reporting Practices

Our review reveals that researchers globally have primarily used the legitimacy theory, the stakeholder theory and the institutional theory, to obtain insights regarding CSR reporting (see Table 1). This is in sync

with the Bangladesh literature, where authors have relied on the same theoretical frameworks, mainly to explain their research findings.

Hossain et. al. (2012), in their study on listed companies in Bangladesh, identify public disclosure of information as one strategy that a company can undertake to establish or maintain its “public license to operate”. This is in conformance with the legitimacy framework. Legitimacy theory has also been used in two studies on the banking sector (Masud et. al., 2017; Khan, 2010). Both suggest that CSR reporting helps banks cope with legitimacy pressure emanating from societal expectations by projecting to the appropriate user groups that their actions are harmonious with important societal values. These are in line with several studies in the global context (Razak, 2015 in Saudi Arabia; Mahadeo et. al., 2011 in Mauritius), which suggest that managers strategically use CSR to project a carefully constructed or symbolic impression of the firm to the outside world to create/retain legitimacy.

Islam and Deegan (2008), who were the first to theorize CSR in the Bangladesh context (Islam, 2017), offer strong evidence for the role of legitimacy threatening events in driving CSR disclosures. Focusing on the clothing industry of Bangladesh, the authors identified foreign buyers as the significant determinant of CSR reporting over time. Emphasis on child labor, for instance, was salient in the 1990s and re-emerged in 2010 – both time periods characterized by strong negative publicity worldwide regarding child labor. Much in line with this, there is an abundance of literature in the global context, which documents a rise in CSR reporting following critical social events (O’ Donovan, 2002; Dube & Maroun, 2017). Dube and Maroun (2017) document a rise in disclosure in the South African mining industry following a series of violent worker strikes. The authors contend that this is an example of the legitimization process since it represents efforts by companies to rationalize to the public that management is taking steps to address legitimacy gaps.

Muttakin and Khan (2014) have also used legitimacy theory to explain why firms with family owners, who are typically less concerned about public accountability, engage in lower disclosure, whereas larger firms and those in export-oriented industries, require the establishment of legitimacy through CSR disclosures due to higher levels of stakeholder attention and scrutiny. Several researchers in the global context (Razak, 2015 in Saudi Arabia; Ali et. al., 2018 in Pakistan) have likewise used the legitimacy framework to explain the positive link between various proxies of social visibility and CSR disclosures.

While a number of studies have been conducted from the legitimacy lenses in Bangladesh, only two studies (among the articles we have reviewed) in the Bangladesh context have explicitly used stakeholder theory, that too, in conjunction with legitimacy theory. Referring to the dependence of Bangladeshi clothing manufacturers on multinational buyers, Islam and Deegan (2008) suggest that the more critical a stakeholder’s resources are to the continued viability of an organization, the more it is natural for that stakeholder’s demands to be addressed through CSR reporting. In a similar vein, Masud et. al., (2017), suggest that banks in Bangladesh are facing increasing pressure from stakeholders, particularly institutional investors, regarding environmental and ecological issues. Hence, banks will tend to engage in more related disclosure in these areas to sustain relationships with these stakeholders.

In line with Islam and Deegan (2008), Chiu and Wang (2014) have suggested that stakeholder theory can be used to explain the impact of two dominant foreign stakeholder groups on social disclosure in Taiwan, namely, organizational buyers in the global supply chain, and listing agencies in international capital markets. Evidence for the application of stakeholder theory in a developed country context is also found in the US (Jo & Harjoto, 2012), in Norway (Vormedaa & Ruud, 2009) and in Japan (Tran, 2018). In an extended application of the stakeholder theory, Thijssens et. al. (2015) have suggested that stakeholder salience, as represented by stakeholders’ power, legitimacy and urgency influence the level of management response to demand for higher disclosure and also explain why some stakeholders’ concerns are addressed to the exclusion of others.

Without denying the merits of Legitimacy and Stakeholder Theory, Sobhani et. al. (2011) suggest that (Neo) Institutional Theory, which is intertwined with the notion of ‘isomorphism’ is most valuable in explaining similarities in the content, amount, avenue and location of disclosure practices observed in the

banking sector of Bangladesh. Isomorphism has also been used by Hossain et al (2012) to explain the adoption of similar reporting standards by banks following the issuance of circulars by the central bank. Meanwhile, Islam and Deegan (2008) have used the notion of “coercive isomorphism” to explain why reporting standards conforming to bodies such as the ILO, UNICEF, etc. were uniformly applied by clothing manufacturers in Bangladesh.

This concept of “isomorphism” has been used in many global studies, which have taken an institutional theory-based perspective on CSR reporting. However, there is ambiguity regarding whether mimetic tendency or regulatory pressure is more important in explaining such isomorphism. For instance, Bebbington et. al. (2009) suggest that organizations are highly sensitive to what their peers are doing and hence, mimetic pressure is more important in explaining CSR reporting than regulations or morality driven arguments. Fernandez (2014), on the other hand, argues in favor of regulatory pressure and this is supported by Baalouch et. al. (2019).

In line with the contention that CSR is a complex phenomenon, which cannot be explained by a single theory (Tagesson et. al., 2009), researchers (Islam & Deegan, 2008; Masud et. al., 2017; Hossain et. al., 2012; Momin & Parker, 2013) have used multiple theories to explain their findings in the context of Bangladesh. This is consistent with several studies from the global context as shown in Table 1.

### **Methodological Approaches Used to Study CSR reporting**

Two methodological approaches for studying CSR reporting appear to be dominant. Previous studies investigating CSR in Bangladesh find disclosures to be significantly low, (for example, see, Belal, 2000) and rather descriptive in nature, mostly reporting positive news (Imam, 2000). As the studies in Bangladesh are primarily descriptive in nature, content analysis of annual reports, website disclosures and other documentary evidence has mostly been used (Hossain et. al., 2012; Azim et. al., 2009; Masud et. al., 2017; Uddin et. al., 2018). Different variations of content analysis can be observed.

Additionally, some researchers such as Azim et. al. (2009) have focused only on the quantity of disclosure as reflected in the number of pages dedicated to CSR disclosure, while others such as Uddin et. al. (2018) have focused on more qualitative aspects, such as type, intensity and frequency of reporting.

With increase in research in the social and environmental reporting, researchers started using semi-structured or depth interviews, and this has been used on a stand-alone basis by researchers such as Belal and Cooper (2011), Belal and Owen (2007), to explore managerial perceptions of CSR and motivations for the presence/absence of reporting. Still other authors have combined the interview and content analysis methods (Islam & Deegan, 2008; Momin & Parker, 2013), to understand how managerial perceptions and the presence/absence of different determinants are reflected in ultimate disclosures.

In contrast to the Bangladesh scenario, only few studies reflecting the global context in our review have employed qualitative approaches such as content analysis (Dube & Maron, 2017; Haniffa & Cooke, 2005; Amran & Devi, 2008) or the interview method (Adams, 2002) on a stand-alone basis. As shown in Table 1, the bulk of researchers have used a combination of content analysis and regression analysis/econometric modelling to understand the relationship between CSR reporting and a wide range of explanatory variables, with a disclosure index yielded by the content analysis typically serving as the dependent variable. The number of studies using this approach in the Bangladesh context are limited, but include Muttakin and Khan (2014), Hossain et. al. (2006) and Khan (2010). Finally, only one study in our review (Sobhani et. al., 2011) was found to use a collective case study approach.

### **Determinants of CSR Reporting**

Much of the research on CSR reporting in Bangladesh has found disclosure practices to be motivated by external forces such as compliance pressure exerted by international buyers on export-oriented industries (Belal & Owen, 2007; Islam & Deegan, 2008). In addition, Hossain et. al. (2012) have indicated that

companies, which are members of the UN Global Compact or ISO 14001 certified tend to engage in better disclosure to retain membership/certification. Interestingly, although no study has so far found a strong linkage between the concerns of the local community and CSR disclosure in Bangladesh, the global community was found to be a viable force (Islam & Deegan, 2008) as the changing expectations of global consumers are reflected in the requirements of the multinational buying companies which outsource production to Bangladesh.

Coming to the global context, firms in developing countries are found to be motivated in their disclosures by powerful/external stakeholders such as foreign buyers and multilateral/development agencies (Ali et. al., 2017; Visser, 2009). This is in congruence with the Bangladesh context and in contradiction with studies for developed countries, where concerns of stakeholders such as shareholders (Toms, 2002; Thorne, Mahoney & Manetti, 2014), creditors (Oh, Chang & Martynov, 2011) and customers and suppliers (Wilmshurst & Frost, 2000) assume salience.

### **Regulatory Framework**

With reference to the impact of the regulatory stance adopted by state agencies on CSR reporting, Hossain et. al. (2012) suggest that while reporting on governance by Bangladeshi companies was poor before 2006, it improved considerably following the introduction of new rules by the securities regulator. Likewise, improvement in CSR disclosures by banks following the emphasis placed by Bangladesh Bank on social and environmental reporting since 2008, has been documented by Hossain et. al. (2012) and Masud et. al. (2017). On the other hand, absence of formal regulations and poor implementation of environmental laws have been identified in some studies as major barriers to disclosure (Momin & Parker, 2013; Belal & Cooper, 2011).

The positive correlation between regulatory pressure and CSR has been ratified in studies for developed countries such as, the US (Alciatore et. al., 2004), Norway (Vormedal & Rudd, 2009) as well as in studies on developing countries such as Ghana (Rahaman, 2000). Hahn and Kuhnen (2013), in their review of literature on sustainability reporting have also mentioned a large number of studies, which confirm an increase in the adoption and extent of (environmental) reporting following tightened regulation

### **Desire to Engage in Impression Management**

Rather than being motivated by the intent to establish greater transparency, corporate managers in Bangladesh seem to be prone to use CSR disclosure as an impression management tool (Belal & Owen, 2007; Muttakin & Khan, 2014), with most companies reporting positive “eye-catching” activities, to the exclusion of potentially more relevant news (Hossain et. al., 2012). Under reporting of negative information and overemphasis on positive information is also mentioned in Islam and Deegan (2008). Momin and Parker (2013) is an exception, since the authors suggest that CSR may be under-reported to minimize the negative connotation attached to corporate self-praise. However, both arguments reinforce that CSR reporting or absence thereof is used to sway public opinion in favor of the company, depending on what managers believe should be the direction of influence.

Several studies in the global context are consistent with the notion that CSR is used to enhance corporate reputation (Adams, 2002, O'Donovan, 2002). In a recent study done in the Pakistan context, Ali et. al. (2018) further suggest that variables such as company size and profitability are actually proxies of corporate visibility. Hence, more profitable and larger firms disclose more information because they are more visible to a wider set of stakeholders.

Furthermore, some studies have shown that companies disclose CSR information to gain competitive advantage (Chih, Chih & Chen, 2010; Nikolaeva & Bicho, 2011) and that more competitive intensity encourages more reporting (Ali et. al., 2018). Such competitive urge can perhaps be partially used to explain the strong similarity between trend and content of reporting of Bangladeshi banking companies found by Sobhani et. al. (2011).

## Social, Cultural and Political Influences

In a rare attempt to examine socio-cultural influences on CSR disclosure in Bangladesh, Momin and Parker (2013) suggest that certain traits intrinsic to Bangladesh culture could actually render CSR a counterproductive strategy. The authors also identify religious values as inhibiting better disclosure, which is congruent with Jamali and Karim's (2016) contention that the distinctive elements of CSR in developing countries can be traced back to religious influences. However, the direction of influence exerted by religious principles, can be positive in influencing CSR (Jamali & Safadi, 2018), or be equivocal (Su, 2019), depending upon the religion in question.

The work of Uddin et. al. (2018) represents a rare attempt to examine political influences on CSR in Bangladesh. The authors found that corporate philanthropic activities disclosed in the sample companies' CSR reports were inextricably linked to powerful leaders' personal projects and the ruling party's political agenda. Hence, CSR was motivated by the desire to gain political favor through "executive lobbying/coalition building". The findings have a high degree of congruence with Tilt (2016), who suggests that in State Capitalist countries such as China, the political ideology that underpins the nation's government heavily influences companies. Similar evidence is found in Guttman et. al. (2018).

## Firm Characteristics

The relationship between CSR reporting and a limited number of firm-specific characteristics has been studied by researchers in Bangladesh. Some studies document a positive relationship between firm size and CSR (Hossain et. al., 2012; Muttakin & Khan, 2014). These are in line with a vast variety of literature from developed countries (Brammer & Pavelin, 2008; Reverte, 2009) and developing countries (Chiu & Wang, 2014; Ali et. al., 2019; Pradhan & Nibedita, 2019) alike. However, while the impact of size on CSR seems rather unequivocal, the mechanism through which this impact is transmitted is less obvious. This is because although smaller firms consider CSR to be appropriate for only larger firms because the latter have more resources (Belal & Cooper, 2011), larger firms in the same study seemed skeptical regarding the additional cost burden of CSR. Hence, managerial awareness regarding the importance of CSR can be more critical in motivating disclosure as suggested by Adams (2002) than the mere possession of greater resources.

A number of studies (Hossain et. al., 2006; Hossain et al, 2012) indicate that the type of social/environmental risk created by their respective businesses motivates firms in their disclosure. However, in some instances, a high degree of competition is seen among firms, such as those in the banking industry, to disclose their efforts in non-relevant areas such as health and education (Hossain et. al., 2012). This seems to reinforce that while reporting, firms focus on what they perceive to be most important to their relevant publics and this may be contingent on the industry in question. A large number of studies for developing countries (Haniffa & Cooke, 2005; Amran & Devi, 2008)) as well as for developed countries (Brammer & Pavelin, 2008; Reverte, 2009; Tagesson et. al., 2009) attest to the importance of industry influence, either due to the risk characteristics inherent in the industry and/or competitive imperatives.

## Discussion and Research Gaps

Based on review of more than 60 journal articles, this paper highlights the CSR reporting discourse in the context of a developing country, namely Bangladesh, from three different perspectives: the driving forces for CSR reporting, the methodological approaches employed by the researchers while studying CSR disclosures and the theoretical frameworks utilized in explaining the same. A comparison of each theme is also presented with the global context, leading to the identification of research gaps and directions for future research.

Our review reveals that CSR reporting has been studied in Bangladesh primarily through qualitative techniques such as content analysis, the interview method or a combination of both. Only a few studies incorporate quantitative analysis, that too, focusing on a handful of variables. In terms of theoretical

perspectives, we find similarities between the application of legitimacy theory in Bangladesh and elsewhere in the world, which leads us to suggest in line with Haji (2013), that while legitimacy was once considered applicable primarily for developed countries, it tends to gain relevance in developing/emerging markets as the market/social context changes. However, while pressure from various publics and demand for transparency creates legitimacy gaps in the developed countries (Ali et. al., 2017), developing countries including Bangladesh face legitimacy pressure from previous occurrences of malpractice (Omran & Ramdhony, 2015) or social incidents that threaten the image/survival of a firm or industry.

Institutional theory has also been used in a number of studies to explain the isomorphism, of a coerced or voluntary nature, observed in reporting practices. Parallels for this are abundant in the global context. However, it is noteworthy that researchers studying CSR disclosure in Bangladesh have used theoretical frameworks only to explain their findings, but not to develop their models, which stands in sharp contrast to some studies in the developed context (Aerts, 2014; Simmons, 2013; Dube & Maroun, 2017). This is, perhaps, a limiting approach, which attests to the under-theorization of CSR in Bangladesh.

In terms of determinants, the use of CSR as an impression management tool seems to be ubiquitous across both the developed and developing country spectrum. Likewise, despite the voluntary nature of CSR, regulation seems to act as an enabling factor for it and Bangladesh is no exception in these two regards. However, while firms in developed countries are driven in their CSR reporting by the expectations of local stakeholders, firms in developing countries like Bangladesh seem to feel a greater onus for CSR reporting when they possess some form of compliance pressure from global stakeholders. Where exposure to such stakeholders is missing or insufficient, CSR reporting seems to lose focus, with overemphasis on positive information that too, in areas unrelated to the concerned business's operation or environmental impact. The determinants in this case, may be traced to the competitive dynamics of the industry in question, the degree of public visibility the company has, or in some cases the "shadow of the state" – all of which imply that CSR disclosure in Bangladesh is driven by survival considerations rather than by morality driven arguments or the desire to establish transparency to a wider set of stakeholders.

On the other hand, in terms of firm specific determinants, though corporate financial performance is the third most studied determinant of CSR disclosure in both developed and developing countries (Ali et. al., 2017), there is a dearth of such studies in the Bangladesh context except Muttakin and Khan (2014) and Hossain et. al. (2006). Both studies have suggested that greater profitability results in better disclosure. Thus, it might be possible that the organizations are not being able to identify their benefits of disclosing CSR information.

### **Future Research Directions in CSR Reporting**

Given the fact that Bangladesh has had considerable growth and aims to reach the middle-income group by 2021 (World Bank, 2014), not many studies have been conducted on environmental issues although research has already revealed that significant environmental costs have been incurred in terms of air and water pollution, public health hazards, among others (see, Belal et. al., 2016). In addition, the emergence of sustainability reporting and integrated reporting and the consequent implications in the context of Bangladesh need to be explored.

On a separate note, given the importance of theorizing CSR Reporting practices in Bangladesh, there is hardly any study, which incorporates a theoretical framework other than legitimacy theory, stakeholder theory and institutional theory, thus potentially restricting better understanding of CSR reporting (Tilt, 2016). In addition to that, the concepts of these dominant theories have been applied to studies in ways that are associated with Western developed countries, which are by their nature rational/capitalist societies. Uddin et. al. (2018) is an exception in this regard as the authors have used Weber's notion of traditionalism to explain the influence of politics on the CSR reporting of banking companies in Bangladesh. More use of social and political theories can provide a novel and alternative lens of understanding the CSR reporting practices in a specific social context like Bangladesh.

This review also identifies the lack of diversity in methodological approaches. Most of the studies in Bangladesh are primarily quantitative studies identifying the factors/determinants of CSR reporting or qualitative studies trying to understand perceptions of concerned stakeholders. More research should be conducted by employing mixed methods in critically accounting research (Richardson, 2015). While complementing critical research with quantitative methodology provides generalizability of conclusions through large samples, (Patten, 2015; Richardson, 2015), qualitative approach provides an in depth and comprehensive analysis of the concerned phenomenon. This review also highlights the need to conduct more case studies to foster better understanding of the institutional logic which drives organizations to report environmental and social information.

Although a significant number of studies in the global context have explored how context plays a role in shaping the boundaries between business and society (Brammer et. al., 2012; Adnan et. al., 2014), such studies are scarce in Bangladesh. Adnan et. al. (2014) for instance, argues that CSR is influenced by the interplay between the cultural setting of a country and organizational structure, and that this holds in countries as diverse as China, Malaysia, India and the UK. In a similar vein, Brammer et. al. (2012) suggest that the effectiveness and efficacy of CSR needs to be understood within the wider field of economic governance. Studies combining such macro and micro level institutional factors are rare in Bangladesh. Future research on CSR reporting should take these issues into consideration.

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