

Corporate Social Reporting in the European Context and Human Resource Disclosures: An Analysis of Finnish Companies

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ABSTRACT. This paper explores by means of content analysis the extent to which the Finnish biggest companies have adapted socially responsible reporting practices. The research focuses on Human Resource (HR) reporting and covers corporate annual reports. The criteria has been set on the basis of the analysis of the documents published at the European level in the context of corporate social responsibility (CSR), paying special attention to the European Council appeal on CSR in March 2000. As CSR is a relatively new concept in Finland, the paper also contributes to the discussion on interface between HR reporting (especially as based on measurements such as Human Resource Accounting and Intellectual Capital schools) and corporate social reporting practices. The results of the content analysis indicate that social reporting practices are still at an early stage of development in Finland. The most reported theme was 'training and staff development'. A positive sign was that the majority also disclosed themes 'participation and staff involvement' and 'employee health and well-being'. Furthermore, nearly one-third made references to their work atmosphere or job satisfaction survey. However, disclosures lacked overall consistency and comparability with each other and especially quantitative indicators were disclosed by few.

Further concern was lack of information related to the theme equal opportunities and going beyond a sheer disclosure of age or gender structure. The other issues rarely disclosed were those related to employee work-life balance and integration of disadvantaged groups in the labour markets.

KEY WORDS: European Union, Finland, HR reporting, human resource management, social reporting

Introduction

In March 2000, the European Council stressed in its conclusions that implementation of the strategic goal, to become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion, will rely primarily on the private sector, as well as on public-private partnership and will be facilitated by applying a new open method of co-ordination as the means of spreading best practice and achieving greater convergence towards the main EU goals (European Council, 2000). In order to involve private sector corporations in the modernisation of the European social model, the European Council also made a special appeal on corporate sense of social responsibility concerning life-long learning, work organisation, equal opportunities, social inclusion and sustainable development.

One of the aims of the European level business campaign on corporate social responsibility (CSR), inaugurated in November 2000 as a response to the European Council appeal, was to encourage

This paper is based on research conducted in the framework of the Doctor of Philosophy Studentship Programme at the School of Health, Natural and Social Sciences, University of Sunderland.

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companies to voluntary reporting (EBNSC, 2000). Furthermore, the Commission communication (CEC, 2001a) for a European Strategy for Sustainable Development, invited all publicly quoted companies, with at least 500 staff, to publish a 'triple-bottom line' in their annual reports that measures their performance against economic, environmental and social criteria. In its later communication on CSR (CEC, 2002), the Commission invited the EU multi-stakeholder forum, the centrepiece of the Commission strategy for promoting CSR, to develop commonly agreed guidelines and criteria for measurement, reporting and assurance for CSR by mid-2004.

According to the Commission's Green paper (2001b), CSR is "essentially a concept whereby companies decide voluntarily to contribute to a better society and cleaner environment" (p. 5). Furthermore, with regard to the definition of the concept of CSR the Green Paper reads as follows (p. 8):

"Most definitions of corporate social responsibility describe it as a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis."

Recently, CSR has been a subject of increased academic attention. Traditionally, from accounting, corporate performance has been measured in financial terms, such that the annual report and accounts provide three primary financial statements, profit and loss account, the balance sheet and the cash flow statement (Cooper, 2004). The information provided is supposed to assist the potential shareholders in deciding whether to buy, hold or sell shares in the organisation.

However, financial accountability is no more considered to be enough; companies are being urged to become accountable to a wider audience than shareholder and creditor groups (Hackston and Milne, 1996). Many of the firms, which have been credited with contributing to economic and technological progress have been criticised for creating social problems. Pollution, resource depletion, waste, product quality and safety, the rights and status of workers, and the power of large corporations are issues, which have become the focus of increasing attention and concern (Gray et al., 1987). The mid-1990s saw the introduction of the concept

of the 'triple-bottom line' of sustainable development (Elkington, 1997). This focuses companies and other organisations not only on their environmental performance, but also on their economic and social impacts (SustainAbility/UNEP, 1998).

Most empirical research had analysed the content of corporate reports for disclosures in respect of one or more categories of social, environmental and/or ethical matters (see for example Adams et al., 1995; Adams and Harte, 1999; Gray et al., 1995; Hackston and Milne, 1996; Niskala and Pretes, 1995). The literature focuses, in general, on the influence of corporate characteristics (such as size and industry groupings) or general contextual factors (such as the country of origin, social, political and economic context) (Adams, 2002).

The purpose of this paper is to utilise the European framework in order to explore reporting practices in a particular national context. The criteria is based on developments related to the emergence of the concept of CSR at the European level and role and content given to it, paying attention to the European Council appeal on CSR in March 2000 and the launch of the European level Campaign on the basis of this appeal.

The paper focuses on annual reports of Finnish companies for the year 2000, which are analysed with regard to the nature of their Human Resource (HR) disclosures. In Finland, interest in empirical research on business ethics did not arise before 90s and, hence, the field remains largely unexplored (Lämsä, 2001). Kujala's research (2001, 2004) was one of the first focusing on managers' moral perceptions. Other researchers have focused on specific theme such as organisational downsizing and ethics (see Lämsä, 2000, 2001). Vehkaperä (2003) analysed discourses, related to business ethics and CSR, published in the leading Finnish business journal, *Talouselämä*, in 1990s. However, with exception to environmental reporting, there is, apart from an increasing number of MA dissertations, few research conducted on Finnish companies' social disclosures.

This paper focuses on one particular area of CSR, human resource management (HRM). The sub-theme of HRM policies and practices has been selected on the grounds that employees feature in mainstream definitions and criteria concerning CSR (Gray et al., 1995). Furthermore, the relationship between business and its employees can be regarded

as a precondition for CSR: if a company does not assume a high level of responsibility to its own staff, it is unlikely to do so to its customers or to the social and natural environment in which it works (Johnston, 2001). As CSR is a relatively new concept in Finland, the paper also contributes to the discussion on interface between HR reporting (such as those based on measurements such as Human Resource Accounting and Intellectual Capital schools) and corporate social reporting practices.

With the above delineation we can enter the body of the article, which is structured as follows. The following section provides an overview of the national context for CSR practices in Finland. In addition, a review of principles and theoretical framework for HR reporting in the Finnish context is presented. Also HR reporting in comparison with corporate social reporting practices is explored. Then an introduction to the methodology of content analysis and its adaptation to this paper are provided. After that, an overview of the results of analysis of Finnish companies disclosures is presented. The last section provides some interpretation of the results, explores the interface between HR and corporate social reporting practices, and presents some conclusions and some suggestions on ways forward for CSR research in the Finnish context.

CSR and Finnish labour markets

Various definitions generally refer to CSR as meaning, not only fulfilling regulations, but also going beyond legal compliance (see for example CEC, 2001b). Therefore it is important to note that, in Finland, as the result of strictly regulated labour markets and collective labour relations system, managerial discretion is strongly limited if compared to many other countries (Vanhala, 1995). Furthermore, in Finland, the government is playing the leading role as the provider of social services and benefits.

However, debate over globalisation, deregulation and diminishing welfare state services has been going on in Finland as well as in many other countries (see for example Kuhnle, 1999; Ruokanen, 2004; Wheeler and Sillanpää, 1997). In the early 1990s, Finland was severely hit by an economic recession, which left large segments of the population unemployed and reduced the tax revenues. The recession

also raised demands for deregulation and decentralisation of the collective bargaining system.

In 1999, Aaltonen and Junkkari argued that for some reason Finland is not the leading country with regard to the discussion about business ethics. According to a survey carried out by the Centre for Finnish Business and Policy Studies (1997), 54% of business leaders thought that the most important task of a company is to make profit and all other duties are of secondary importance. Only 32% of leaders were of the opinion that Finnish companies should take more social responsibility than they are taking today and should not think only of their own profits. When asked to choose values most emphasised in the current operations of the company, only 4% of leaders chose the option 'social responsibility/promotion of employment'. Ethics or moral was chosen by 10% and taking care of staff by 23%.

At the same time 86% of Finns think that employees are working under such a high pressure that it is likely that they will burn out before retirement (*ibid.*). Furthermore, 49% consider the economic climate to be too ruthless for the weakest and unproductive citizens and 66% are of the opinion that the Finnish economy has resorted to favour the rights of the strongest and that the prevailing order is 'the order of the jungle'.

According to a more recent European-wide study conducted by MORI (2000), as many as 75% of the citizens in Finland hold the opinion that companies do not pay enough attention to their social responsibilities. This figure was the highest within Europe, the average being 58%. In Finland, the majority sees companies' responsibilities as centring on core work-related activities with employees, such as protecting health and safety (68%), providing secure long-term jobs (67%) and treating all employees and job applicants fairly, regardless of gender, race, religion or sexual orientation (58%).¹

Perhaps related to these developments, as well as the growing importance and attention paid to CSR in international context, Finnish companies have started to pay more attention to business ethics and CSR. However, it was not before spring 2000, when the Finnish Business Society Group, a partner organisation for CSREurope² was established. In the end of January 2001 the Confederation of Finnish Industry and Employers published its first guide for CSR.

Corporate stand-alone reports having a broad societal perspective, produced for the year 2000 (see Vuontisjärvi, 2004) were still few. Furthermore, it was only in 2001, when the competition for the best environmental report in Finland, organised in collaboration by several major actors from public and private sector, expanded the criteria to cover social factors (see LTT Research Ltd, 2002).

HR reporting in Finland

Whereas, labour and industrial relations field is relatively strictly regulated in Finland, legislation on disclosing any information with regard to employees or their treatment is largely missing. According to the Accounting Ordinance (1997/1339), only the average number of employees, wages and salaries, pension costs and other personnel related expenses have to be disclosed in official accounts of the company.

In accordance with earlier research, information on personnel in annual reports is small in quantity (see Paukkunen, 1998; Rokkanen, 1999). The disclosures tend to be descriptive and general by their character and quantitative information is largely missing. Furthermore, movements in company's market value tend to follow financial indicators (Eronen, 1999). The disclosed HR-information does not seem to have statistical significance in this respect, with exception to information on personnel expenditures, which would rather decrease the market value of the company.

The content, extent and concepts of HR reporting are still not fully established in Finland (Eronen, 1998; Teronen, 2000). The schools behind the reporting can be divided in two main groups: human resource costing and accounting (HRCA)³ and intellectual (IC) capital schools (Teronen, 2000). However, so far reports have mostly been released within companies (Teronen, 2000) and companies tend to see them as an information tool for upper management (Ahonen, 2002).

The 1990s saw HR reporting increasing in importance in Nordic countries, especially in Sweden (see for instance Gröjer, 1993; Gröjer and Johanson, 1996; Sveiby, 1989) where companies took a lead in this respect by publishing statements about their HRs in their annual reports as an addition to the conventional financial statements

(Toulson and Dewe, 2004). In Finland, HR statements became a 'hot topic' in spring 1997 and the first seminars organised about the subject were packed (Eronen, 1999). The Finnish approach follows closely the patterns presented by the Swedish school of HRCA (Eronen, 1998). The terminology is quantitative, indicators financial, and the basis is the official financial account of companies.

The alternative for HRCA is the model presented by the intellectual capital IC school. The framework is based on the work of Kondrad group, which met up in Sweden to develop financial statements for knowledge organisations, and the Balanced Scorecard presented by Kaplan and Norton⁴ (Eronen, 1999). The aim of the IC school is to complete financial ratios with non-financial ratios in order to describe the company's value (Rimmel, 2003). The forefathers of IC were headed by Leif Edvinsson from the Swedish insurer Skandia, who promoted IC as a new method to fill the gap between the market value and book value of the company. Skandia published its first IC supplement to its annual report in May 1995 (Sullivan, 2000).

Intellectual capital makes classifications into structural capital and human capital (Eronen, 1998; Teronen, 2000). The latter elaborates on the value of intangible assets that are embedded in the company's HRs, employees and managers. According to the general definition, human capital refers to the personal skills and knowledge owned by each individual employee (Eronen, 1998). Indicators presented by Kondrad group include, for example, educational costs, educational level of personnel, average age, average number of years employed, proportion of new employees being active in company's know how production, turnover of personnel and value added per employee (Sveiby, 1989).

Eronen (1998) outlines a theoretical model for HR statement in the Finnish context, based on HRCA and complements this with indicators presented by IC school and by Finnish companies comments on the present state of reporting, reporting needs and tools. The theoretical model consist of three parts (see also Ahonen, 1998), HR profit and loss account (HR renewal costs, development costs, and exhausting costs), HR balance sheet (long-term investments in HRs) and HR report (background facts and HR ratios), which can include, apart from structural statistics (including

indicators such as age and gender distribution), the basis how the costs and balance sheets have been calculated, and certain indicators to follow the development of HRs.

Also measurements such as working atmosphere survey and working capacity index⁵ are popular in Finland (Eronen, 1998). Eronen (1998) argues that in this respect Finland differs from other parts of the world, as even in Sweden focus is much more on the knowledge of employees. However, on the basis of her interviews with Finnish companies, she suggests that companies are not, in the first place, interested in publishing health-related information outside of the company.

HR reporting in comparison with social reporting

There has been much debate in the literature whether human resource accounting (HRA) belongs to at all in the realm of social accounting (see for details Gray et al., 1987, 1996). HRA involves, at its simplest, attempts to value the employees of an organisation. This is done for various reasons, including (a) the recognition that employees may be the principal asset of an organisation and so should appear on the balance sheet: (b) accounting-driven arguments that expenditure on employees may often be in the nature of an investment and therefore, following the matching principle, should not all be shown as a cost of the period: (c) to attempt to assess the investment on employees and whether or not the investment is gaining or losing financial value to the organisation; and (d) as an element in the assessment of management performance in that a 'good' manager will manage the HRs as well and carefully as other resources and not, for example, exploit them for short-term gains (Gray et al., 1996).

However, there are evident discrepancies between HRA and corporate social reporting literature. As Gray et al. (1988) point out, corporate social reporting was born largely to be a response to the widespread societal questioning of the propriety of measuring things solely in terms of their market value. Also the only users, who can even vaguely be assumed to have familiarity with financial statements,

are management and investors. Even if management can be shown to find financially quantified statements useful for their decision-making, this does not give rise to justification for designing external reporting systems according to the preferences of internal users (*ibid.*).

Furthermore, social reporting can be defined as the process of communicating the social and environmental effects of organisation's economic actions to particular interest groups within society or at society at large (Gray et al., 1987). The line of reasoning behind social accounting literature is that a better-informed society will be empowered to ensure that organisations operate to the benefit of the society (Cooper, 2004) and therefore it is hoped that a 'more benign' form of business activity will result (Gray et al., 1997).

In comparison, the scope of HRA is much more narrow, and it can be argued that the major impetus for the development of HRA has been a desire to improve managerial decision-making (Harte, 1988). Furthermore, Gray et al. (1996), suggests that one can see in the development of HRA the influence of scientific management principles, which seek to make the most efficient use of all resources, including HRs.

With regard to IC reporting, even if the way to present things is different, the aim is also to support management within the organisation and make the invisible visible outside of the company (Eronen, 1998), by contributing in describing the market value of the company (Rimmel, 2003). Furthermore, IC literature and the literature based on measurements of intangible assets typically focuses on knowledge and skills of employees, and how these contribute to the performance of the organisation (see for example, Eronen, 1998, 1999; Sveiby, 1989; Tayles et al., 2002) rather than exploring impacts of corporate policies on employees or society at large.

One reason behind the diverging approaches between HR reporting and social reporting is perhaps that the introduction of ethical theory and stakeholder theory in the discussion of HRM is a fairly rare and nascent occurrence (Greenwood, 2002; Winstanley and Woodall, 2000). With regard to accountability, in their review of 80 years of HRM science and practice Ferris et al. (1999) noted "the presence of multiple

audiences”, “the need to relate accountability specifically to HRM functions and concerns” and that “many public calls for accountability are related to HRM functions, such as CEO compensation” (Ferris et al., 1999, pp. 401–402), yet fail to introduce theories of ethical development, CSR or stakeholder management (see Greenwood, 2002).

Methodology

Sample

It has been argued that large and multinational companies have so far been the main promoters of CSR (CEC, 2001b, 2002). The focus on the largest companies offers a better prospect of finding disclosures, since earlier research suggests that quality of corporate social disclosure is linked to firm size (see Gray et al., 1995).

The target population of 205 biggest Finnish companies (employing at least 200) was selected by following the leading Finnish business journal *Talouselämä*'s list of top 500 companies. The ‘top’ is based on size ranking of net sales as presented in corporate official financial statements for the year 2000. *Talouselämä* can be regarded as the Finnish equivalent of *Business Week* or *Fortune*, as suggested by Niskala and Pretes (1995), who used the list when selecting their sample of annual reports.

The selection of companies was based on the fact that the content analysis is complementing a larger research the main part of which was a survey on actual practices of companies (see Vuontisjärvi, 2004) and the reports were selected correspondingly. However, the decision not to limit the sample on listed companies employing at least 500, invited by the Commission to publish a triple-bottom line in their annual reports, is supported by the suggestion of the Commission, that CSR it is relevant in all types of companies and in all sectors of activities (CEC, 2001b).

Before selecting the population, those companies in which the country of control is not Finland (owing to different reporting practices) were removed from the list. Since the criteria has been established with big companies in mind, also those employing fewer than 200 were removed from the list. In many cases these were investment or trade

companies, which in some extreme cases had only one to ten registered employees on their payroll despite of considerable annual net sales.

The selected 205 were all within 368 biggest in *Talouselämä*'s list of top 500 companies, the turnover of the last one being 74 million Euro.

Location of the disclosure

The suggestion of the role of annual reports as a major channel for corporate communication is supported by a number of studies (see for example Adams et al., 1995; Gray et al., 1995; Neimark, 1992). The corporate annual report is influential in shaping what is important in society (Burchell et al., 1980), and it is seen as a significant source of accountability with regular and wide distribution, where management has the opportunity to include comment on important or problematic issues as it sees fit (Neimark, 1992).

Also a survey addressed to large Finnish companies by Vuontisjärvi (2004) carried through in the end of 2001, suggested that the annual report was the main tool for reporting on HRM, whereas stand-alone reports such as personnel and CSR reports were few. Furthermore, when requesting annual reports, companies were asked to send, if producing any for public distribution, also their CSR and personnel reports. However, only four CSR reports were received, the corresponding figure for personnel reports being six. Therefore, the analysis covers corporate annual reports and accounts published in a hard copy form and publicly distributed by the respective company. The reports produced in Finnish language have been used as the basis for analysis.⁶

The companies in target population were each contacted and asked to send their respective annual report for the research. The request was repeated several times both by e-mail and telefax. As many as 160 (78%) sent their reports. Of the remainder 45, 27 responded that they did not produce a report for public distribution. Further one stated that their annual report was out of print. With regard to the remaining 17 companies, their respective web sites, if available, were checked for existence of an annual report. Also other possible domains, such as the web

site of the Helsinki School of Economics' library were checked to ensure that no reports of these companies were available in the public domain.

Clearly, the size of a company is an important factor with regard to whether the company is publishing an annual report or not. Of the companies having more than 1500 employees on their payroll, as many as 75 (95%) sent their annual reports, whereas the corresponding figure to the smaller ones was substantially lower (85 companies, 67%). Therefore, the proportion of those employing over 1500 is greater (47%) in the final sample of 160 than in the target population of 205 (39%).

Another important factor is the ownership of the company. All listed companies and all state or municipality owned companies sent their reports. However, four companies classified as belonging to the group 'co-ops/mutual society/association' declined to send their reports and this was the case with regard to as many as 41 companies classified here under the group 'other' companies (covering family owned companies, those owned by other companies etc.) Therefore, the combined proportion of listed, state or municipality owned and the group 'co-ops/mutual society/association' in the final sample is 74%, whereas the corresponding figure for the target population of 205 is only 60%.

Technique of content analysis

Content analysis is a method of codifying the text or content of a piece of writing into various groups (or categories) depending on selected criteria (Weber, 1988). The technique has been widely used in determining the extent and nature of corporate social reporting (see for example Adams et al., 1995; Adams and Harte, 1999; Gray et al., 1995).

Various approaches can be taken to analyse annual reports in order to reveal the presence, extent or foci of CSR orientation (see for example Wolfe, 1991). The literature generally follows one of two paths; the number of disclosures or amount of disclosures (Gray et al., 1995). Several authors have focused on determining the volume of disclosure with regard to determined categories, using words, sentences or proportion of pages as a unit of analysis (e.g. Adams et al., 1995; Adams & Harte, 1999; Gray et al., 1995; Hackston and Milne, 1996).

The aim of this research is to use the simplest form (Parsa and Koyhy, 2001; Wolfe, 1991) and, perhaps as such the most reliable form of content analysis (see for example Milne and Adler, 1998; Parsa and Koyhy, 2001). Instead of measuring the extent of the disclosures, it aims at establishing the presence or absence of certain themes and indicators in each sampling unit, here defined to be corporate annual reports.

TABLE I
Disclosures by themes

	All <i>n</i> = 160		M <i>n</i> = 92		S <i>n</i> = 68		>1500 <i>n</i> = 75		<1500 <i>n</i> = 85	
	No.	%	No.	%	No.	%	No.	%	No.	%
Training and staff development	127	79	76	83	51	75	59	79	68	80
Pays and benefits	109	68	59	64	50	74	57	76	52	61
Participation and staff involvement	108	68	57	62	51	75	57	76	51	60
Values and principles	106	66	60	65	46	68	59	79	47	55
Employee health and well-being	98	61	52	57	46	68	48	64	50	59
Measurement of policies	88	55	49	53	39	57	47	63	41	48
Employment policy	79	49	48	52	31	46	38	51	41	48
Security in employment	61	38	22	24	39	57	25	33	36	42
Equal opportunities	55	34	27	29	28	41	34	45	21	25
Work-life balance	7	4	2	2	5	7	2	3	5	6

M = Manufacturing S = Services.

>1500 = More than 1500 employees on payroll.

<1500 = Less than 1500 employees on payroll.

A similar approach has been taken, for example, by the Ernst and Ernst studies (Ernst and Ernst, 1978 quoted for example in Gray, 1995) being effectively a count of the number of instances of a particular event, a particular CSR disclosure. Such an approach has also been the basis for Tonkin and Skerratt's (1991) 'A Survey of UK Reporting practice' and Farrell and Cobbin's (1996) research on the contents of codes of ethics in Australian enterprises.

Definition of themes and indicators

The themes (Table I) are not meant to be exhaustive, but have been selected in order to provide a comprehensive overview of policies and practices related to HRM and most commonly referred to in European level documents published in context of CSR (see Bitc, 2000a, b; CEC, 1997, 1998, 2001b; CSR Europe 2000a, b, c, 2001; European Declaration of Businesses against Social Exclusion, 1995).

The themes are also interlinked with the special parameters documented in the European Council appeal on CSR (for more details see Vuontisjärvi, 2004). The parameter 'work-organisation' has been interpreted on the basis of documents such as the Green paper on modernisation of work organisation (CEC, 1997), and in this context can be regarded as covering all the themes involved. With regard to lifelong learning the issues referred to by the Commission's Green paper on CSR (CEC, 2001b) such as supporting the transition from school to work for young people, for example, by providing apprenticeship places, valuing learning and providing an environment, which encourages lifelong learning by all employees, particularly by the less-educated, the less-skilled and older workers, are here mostly dealt under the theme 'training and staff development' and also under the theme 'employment policy'.

Social inclusion can be regarded as an opposite term to social exclusion, which according to the Commission's Green Paper (CEC, 2001b), can be fought against by responsible recruitment practices, involving in particular non-discriminatory practices, which could facilitate the recruitment of people from ethnic minorities, older workers, women, the long-term unemployed and people at disadvantage. These issues are by and large covered by the theme 'employment policy'. Equal opportunities are here

defined broadly, covering issues such as gender, age, immigrants or ethnic minorities and people with disabilities (see Bitc, 2000a, b; CEC, 1997, 1998; CSREurope 2000a, b, c, 2001).

Apart from the European level documents and the Council appeal, country-specific circumstances and the main topics under discussion in Finland are paid attention to when establishing the specific criteria. Furthermore, corporate reports have been assessed, and any issue relevant in light of the previously mentioned framework added within the criteria.

Data analysis

To enable content analysis to be performed in a replicable manner decision rules were developed. By definition of the themes and even more so of the indicators, most of the disclosures falling under these can probably be regarded as 'CSR disclosures'. However, on the grounds that in 2000 CSR approach was still relatively new in Finland, not many companies were expected to report on their HRM policies this aspect in mind. Therefore, this paper differs from earlier research in terms that the aim is, rather than trying to establish whether a particular disclosure actually forms a 'socially responsibly disclosure' to capture every reference made to the theme in general, and then establishing, by using a set of indicators, what was actually reported under each theme. Consequently disclosures, for example, with regard to reductions in workforce, are accepted under the theme 'security in employment' regardless whether they present the dismissals as a measure of promoting cost-efficiency or whether the company regretted having had to implement them and/or provided disclosures on means used to minimise them.

Whereas, the precondition for other themes was that the disclosure is related to the corporate HR policies or practices, with regard to the theme 'values, principles' the disclosure was accepted regardless of whether this was made in context of corporate HRM or included any reference to employees. The same applies to the individual indicators measured under this theme. However, the presence of individual indicators, values, a vision, a mission, ethical or CSR principles were only accepted if the disclosure contained a full statement or summary of the statement. This because several companies made references, for

example, to ethics or values in general, and made it difficult to judge whether they had actually defined any written principles concerning the matter.

With regard to the theme employee health and well-being references made to the indicators related to work organisation and community (see Appendix I) were only accepted if the reference is made in context of employee health or well-being. For more detailed definition of each theme, see indicators covered by the theme listed in Appendix I and the results section.

Whereas original research consists of as many as 143 indicators (see Vuontisjärvi, 2004), the purpose of this paper is to provide a summary of the main results. The indicators are divided into three categories broadly following the classification of the documents released in the first European business convention (see Bitc 2000a, b; CSREurope, 2000a, b) in November 2000. Principle indicators reflect the stated aim or value. Process indicators describe the action or practice taken into use. Finally, performance indicators reflect the outcome of the action. Other performance indicators are quantitative with exception to the perception measures, results of the external image survey, standards, awards and ethical funds pay and conditions compared against local equivalent averages and workforce profile compared to community profile, which has been accepted even if the company provided only a descriptive account on a measurement. Furthermore, quantitative performance indicators are accepted regardless of the measurement unit and whether the indicator covered the company group, one or more individual group companies or business units or only domestic units of the company.

Results

Most disclosed themes

The focus of the disclosures was on themes ‘training and staff development’ (127 companies, 79%), ‘pay and benefits’ (109 companies, 68%) and ‘participation and staff involvement’ (108 companies, 68%). In Finland, the ageing of population is worse than in most other OECD countries, and in 2030 the share of the elderly is expected to be the second highest in Europe (OECD, 2000). Furthermore, burn outs and work exhaustion have been a regular subject in media (see for example Pollari, 2000; STT, 2000a, b). Per-

haps reflecting these, the majority also reported ‘employee health and well-being’ (98 companies, 61%). However, it should be noted, that the other related theme, employee work–life balance was the least reported theme (Table I). The number of references made to the theme ‘values, principles’ 106 (66%) is likely to reflect growing importance of image building, ethics and CSR.

Most disclosed indicators

The highest support was received by financial type of information such as ‘incentive schemes’ (70 companies, 44%). A positive finding was that as many as 63 (39%) companies provided their value statement and almost one-third of companies referred to a working atmosphere or job satisfaction survey. Table II lists the principle and process indicators the support for which reached at least 20%.

The disclosures tended to be mostly qualitative and the scores were low with regard to all quantitative indicators (see Table III). The highest scoring performance indicators fell under the theme ‘equal opportunities’ and provided basic statistics over the structure of personnel, such as ‘breakdown by age’ (31 companies, 19%), ‘average age’ (27 companies, 17%). Also, breakdown by full-time or part-time contracts derived support of 27 companies (17 per cent).

The disclosures tended to take several forms and levels. For instance, costs of training was disclosed either in Finnish Marks or Euro (15 companies), average cost of training per person (3 companies), proportion of annual wages and salaries spent on training (4 companies), proportion of turnover spent on training (one company). In addition, two companies did not provide the indicator for the whole group but were content to break it down to smaller units. Finally, three companies specified that the figure covers only the costs of external training.

Table III lists performance indicators the support of which reached at least 10%.

Training and staff development

The theme covers all references made to training and staff development, including measures in use to enable employees to determine their development

TABLE II
The most disclosed principle and process indicators

	No.	%		No.	%
<i>Training and staff development</i>			<i>Values and principles</i>		
Training aiming at achieving formal qualifications	42	26	Values	63	39
Development discussions	38	24	A mission	42	26
Principle of life-long learning or continuous learning	34	21	<i>Employee health and well-being</i>		
<i>Pay and benefits</i>			Support for sport or recreation		
Incentive schemes (results, performance etc.)	70	44	<i>Measurement of policies</i>		
Option schemes	58	36	Working atmosphere or job satisfaction survey	50	31
Shares and options owned by individual directors	36	23	Other internal survey	39	24
<i>Participation and staff involvement</i>			<i>Employment policy</i>		
Representation of personnel in the company's administration	44	28	Positive employer image	32	20
Teams	38	24			

needs and any action taken to integrate low skilled employees and the principle to promote 'employability of an employee'.

Even if 'training and staff development' was the most reported theme, there was little consistency between the disclosures, most reports focusing on descriptive summary of the most important training courses for the year 2000.

'Training aiming at achieving formal qualifications' (42 companies, 26%) was the most often disclosed indicator, followed by 'development discussions' (38 companies, 24%). None of the companies reported

softer principle or process indicators, such as 'measures to integrate low skilled employees' or principle to promote the 'employability' of an employee.

Only 21 companies (13%) disclosed an indicator concerning cost of training. Similarly, 21 companies (13%) disclosed time spent on training. While a number of companies published a figure for how many employees participated in a specific training course or programme, there was a lack of more comprehensive indicators telling the number of personnel as a whole participating in the training organised by the company. Two companies,

TABLE III
The most disclosed performance indicators

	No.	%		No.	%
<i>Training and staff development</i>			<i>Security in Employment</i>		
Cost of training	21	13	Breakdown by part-time or full-time	27	17
Time spent for training	21	13	Breakdown by fixed term or regular	16	10
<i>Measurement of policies</i>			<i>Equal opportunities</i>		
Staff turnover	19	12	Breakdown by age	31	19
Breakdown by length of the employment contract	16	10	Average age	27	17
<i>Employment policy</i>			Breakdown by gender		
Number of new recruits	19	12		26	16

which came closest to that, produced a percentage figure of employees having participated in internal training.

Pay and benefits

The theme 'pay and benefits' (109 companies, 68%) was generally reported by the companies. The theme covers issues such as incentive schemes, stock option schemes and any rewards or benefits received by employees, and does not exclude option schemes or other incentive schemes for directors. The figure does not, however, cover disclosures made in order to comply with the accounting legislation such as wages and salaries of employees, other cost of employees, or salaries, benefits and pension arrangements for directors.

Individual indicators related to this theme, such as incentive and option schemes, were also among the most often disclosed indicators in the overall research design (see Table II). Incentive schemes, such as result or performance-based pay, scored the highest, with 70 (44%) companies documenting this. Four of those, however, disclosed only information on incentive scheme focused on directors and/or key personnel.

The figure excludes option schemes, which were referred to by 58 companies (36%). Of the 71 listed companies as many as 56 (79%) documented the indicator. In addition, two further companies referred to a scheme, in these cases either the parent company was not listed but one of subsidiaries, or the company intends to get listed on the Helsinki stock exchange. Of those who specified to whom the scheme was addressed, 34 companies referred exclusively to an option scheme covering directors and/or key personnel, whereas 23 reported on wider cover than this.

Recently, discussion on the option schemes of the management as a factor increasing the inequality of incomes has been active in the Finnish media (see for example Baer, 1999, 2000; Korvola, 2000). Perhaps related to this, 36 companies (23%) documented shares and options held by their individual directors. Of those 71 listed on the Helsinki stock exchange 35 (49%) documented the indicator. Furthermore, one company, whose subsidiary, but not the parent company, is listed, reported on this indicator.

None of the companies reported performance indicators such as average wage, spread of wages or pay and conditions compared against local equivalent averages.

Participation and staff involvement

The majority of companies (108 companies, 68%) referred to participation and staff involvement. The theme covers employee consultations, co-operation, trade-union relationships, all references made to an effort to involve employees to decision-making as well as the independence of work. However, as previously, support for all indicators explored remained low. 'Representation of personnel in the company's administration' scored the highest, reported by 44 (28%) companies. However, it should be noted that the indicator does not reflect truly voluntary action, but is based on the Act on Personnel Representation in the Administration of Undertakings.

The second place was taken by references made to the use of teamwork within the company (38 companies, 24%) and third place by references to a co-operative body (25 companies, 16%). A total of 24 (15%) companies referred to trade-unions or collective agreements, but 'ratio of recognised trade unions to existing trade unions' was disclosed by none. The latter, however, bears little relevance to Finnish labour markets, characterised by high unionisation rates of both employees and employers, and collective agreements, if considered as 'representative', binding to all employers in the field and must also be observed in the employment of non-unionised workers, unless they are specifically excluded under the terms of the agreement (for further details see SAK, 2002).

Values and principles

This theme covers all references made to values, a vision, a mission, ethics, sustainability or social responsibility. As many as 63 (39%) reported their values, whereas reporting a mission (42 companies, 26%) or a vision (28 companies, 18%) was less common. A total of 12 companies (8%) provided all three. Only three companies (2%) reported their

ethical principles. In addition, general reference to ethics, social responsibility and/or sustainability were made by 15 (9%), 27 (17%) and 26 (16%) companies, respectively.

Employee health and well-being

Employee health and well-being was one of the most popular themes disclosed (98 companies, 61%). This theme is structured by using the definition of working capacity activities in the Finnish context and covers issues such as work organisation, work community as well as working conditions (see Appendix I). The list of actions is combined by exploring corporate public reports, previous studies (for example Peltomäki et al., 1999) and paying attention to the tetraedri-model of working capacity activities (see for example Finnish Institute of Occupational Health, 1998, 2000).

The indicator reported most often was 'support for sport or recreation' (36 companies, 23%). Examples mentioned varied from fitness exercises, jogging, gyms, winter swimming, stick walking and badminton to holiday cabins. Health and safety training was referred to by 19 companies (12%) and support for rehabilitation by 17 companies (11%).

Few companies disclosed any quantitative indicators. Seven companies disclosed 'rate of absence', two their occupational health costs, three 'a working capacity index' and six their number of occupational injuries.

Measurement of policies

This theme covers references made to internal and external efforts to measure the success of HRM policies and processes. Indicators such as staff turnover and length of the employment contract are considered in the framework of this research to measure the overall performance of the corporate policies and practices in the field. As many as 50 companies (31%) documented information related to their working atmosphere or job satisfaction survey. However, the information provided was mostly descriptive, with only 6 companies (4%) providing a working atmosphere or job satisfaction index.

A total of 19 (12%) companies provided the figure for staff turnover. A total of 15 companies (9%)

disclosed the average length of the employment contract and 16 (10%) provided a breakdown by length of employment contract.

Employment policy

The theme covers all disclosures with regard to recruitment policies of the company. Close to half of the companies (79 companies, 49%) referred to these. 'Positive employer image' was the indicator reported most often (32 companies, 20%). A total of 19 (12%) companies disclosed their number of new recruits and 8 (5%) counted their number of trainees.

Only two companies referred to their efforts to integrate disadvantaged groups. Of those, a small co-op retailer documented that they had employed people with disabilities. Furthermore, a multisector company referred to an employment course organised in collaboration with the labour authorities. In addition to those, one company provided a break down by age for new recruits, showing that the company also had recruited from older age groups.

Security in employment

Security in employment was reported by 61 (38%) companies. The theme covers issues such as long, secure employment contracts as a principle, measures taken to reduce workforce and any references made to atypical employment contracts.

A total of 36 companies (23%) referred to atypical employment contracts. Break down by part-time or full-time employees was reported by 27 companies (17%) and breakdown by fixed term or regular contract by 16 companies (10%).

The disclosures related to the treatment of employees on atypical contracts were rare and by no means comprehensive. A larger retail trade company stated that the high number of part-timers and high turnover rates has to be taken into account when planning training and staff development. There was, however, no specification as to how this is to be done. Furthermore, a large food and drinks company documented the conditions in which employees on fixed term contracts are included in the company's personnel fund.

A total of 21 companies (13%) documented their reductions in workforce. While a number of companies referred to the number of employees reduced, only two companies provided explicitly the number of their employees made redundant. Only one of those referred to a particular site or subsidiary in this respect.

None of the companies mentioned any forms of professional support for redundant employees. The tone of the disclosures was generally evasive and reference was made to adaptation, needs for cost-efficiency, rationalisation and reorganisation. Only six companies (4%) reported on proactive measures to avoid redundancies. The means documented were early retirement, transfer to a new task, natural wastage and layoffs.

Equal opportunities

The theme equal opportunity covers gender, disability, age, immigrants or ethnic minorities as well as disclosures related to prohibition of discrimination and any reference made to promoting equal opportunities in general. Interestingly, reflecting the growing concerns over ageing of the population (see OECD, 2000) the most documented equal opportunity issue was age (51 companies, 32%). Gender related disclosures scored the second highest (28 companies, 18%) but lagged far behind age. One company made a reference to disabled employees, another referring to foreign employees employed by the company.

The most documented indicators were those providing basic statistics such as break down by age (31 companies, 19%), average age (27 companies, 17%) and break down by gender (26 companies, 16%). Only six companies (4%) provided information about the number of women in management positions.

Process indicators related to promoting equal opportunities between genders were rare, one company referring to the equal opportunity project it has participated in, and another to an equality payment agreed in collective agreements. The same applies to age; one company referred to information occasions organised for ageing employees and another to the working capacity activities being specifically addressed to ageing employees.

Only three companies referred to immigrants or ethnic minorities in their respective reports.

Measures to facilitate adaptation of immigrants or ethnic minorities were reported only by a large business service company, providing real estate, including cleaning services. This company stated its intention to provide diversity training for supervisors and had also produced training material for employees in multiple languages. The other two disclosures were more like statements against discrimination and racism and did not include explicit measures taken to facilitate the adaptation of this group.

The nearby absence of disclosures referring to this group could reflect the fact that number of immigrants has traditionally been small in Finland, and the national labour market relatively cohesive in this respect. Recent developments, however, indicate that this is to be changed, since the number of immigrants is increasing rapidly (see Population Register Centre, 2002).

Work-life balance

Only seven companies referred to employees' work-life balance. The theme covers issues such as flexible working times in favour of an employee, and efforts made to balance work and private life. Three referred to work-life balance as a principle and further four documented employee options for flexible working times. Other indicators such as 'better maternity/parental leave advantages than stipulated in law and collective agreements' or 'support for childcare' were not disclosed.

One reason for the absence of disclosures could be related to the fact that in Finland work-family balance receives a solid support from the public sector, in terms of legislation and benefit systems and therefore the corporate voluntary action's role in this field is limited⁷.

However, public sector support does not explain low attention paid to the theme in general, or to individual indicators such as flexitime, in order to promote work-life balance. The same applies to indicators such as 'encouragement for men to use their family leave options', 'complementary training for those returning from family leave', 'concierge services' or 'surveys on work-life balance', which were not disclosed.

Discussion and conclusions

As documented in the introduction, one of the aims of the Commission and the European business campaign is to further the modernisation of the European social model by promoting social reporting. Seen from this perspective, the results of this content analysis leave a lot of improvement to be desired for and implies that the practices of social reporting were not fully established in Finland in the focus year.

If looking at the positive side at first, quite a number of references was made to participation and staff involvement and/or employee health and well-being. Also almost one-third of companies made some form of reference to working atmosphere or job satisfaction survey. Furthermore, perhaps as a response to the debate over generous option schemes for directors in the Finnish media, as many as 36 companies disclosed options and shares held by their individual directors. Moreover, the fact that a number of companies were disclosing their values or referring to CSR, ethics or sustainability in their reports indicates that companies are starting to pay attention to the matter.

However, the disclosures were, in general, uneven and lacked overall comparability. None of the measured indicators were reported by the majority of companies. Quantitative performance indicators were reported by few and were not always in a comparable form. There is also a need to reach an agreement in which form the information is disclosed and what is the basic unit for disclosure (company group, parent company, subsidiaries or a specific country).

Further concern was the evident lack of attention paid to disclosures, related to equal opportunities (and going beyond basic statistics such as age or gender structure), work-life balance and integration of disadvantaged groups. Sensitive areas like redundancies were largely ignored or reported with an evasive tone, stressing cost-efficiency of the operations and the subsequent profits acquired by the company of such measures.

It should be noted, that not all the indicators explored here belong in a voluntary domain, the role of regulations and tripartite negotiations being most evident with regard to the themes such as participation and staff involvement, pay and bene-

fits and employee health and well-being. These are also all among the themes, which the majority of companies disclosed. However, low support to some individual indicators, not falling into domain of voluntary action, suggest that there is likely to be more action than could be expected on the basis of disclosures only. For example, taken that 80% of employees belong to trade-unions and collective agreements are binding in the given sector (see Strömmer, 1999; SAK, 2002), the fact that most companies did not make any reference to these is in the majority of cases unlikely to mean that they would not have a trade-union representation. On the contrary, the reason for lack of disclosures could be that the activities are considered, at least with regard to corporate policies in Finland, as routine or self-evident and therefore not worthy of publishing. With regard to 'better maternity/parental leave advantages than stipulated in law and collective agreements' or 'support for childcare' non-disclosures could also reflect the current task division between the public and private sector.

The theoretical model presented by Eronen (1998) did not fully materialise in the annual reports, in terms that the core parts of the HR statements, such as HR profit and loss accounts and balance sheets were rare⁸. However, interestingly, the most reported performance indicators (see Table III), are also presented in Eronen's (1998) discussion over theoretical model on reporting in the Finnish context, deriving from the schools of HRCA and IC. As these indicators also feature in some form at the European level documents explored (see Bitc, 2000a, b; CSR Europe, 2000a, b, c), they can be regarded as CSR disclosures.

For those interested in financial sustainability of the company, a biased age structure, for example, tells about the possible risks of sudden discontinuity in knowledge as a result of large proportions of personnel retiring at the same time and increasing pension costs for the company (see Ahonen, 1998; Eronen, 1998). In order to really belong to the realm of social reporting one could expect age and gender structure, for example, to be accompanied with information whether the company has an equal opportunity policy, and if so, how it is implemented. However, this was rarely the case and even those four who

referred to their equal opportunity plan, did not describe any practical measures taken into use to implement it.

Perhaps the stress on staff training and lack of information with regard to promoting employee work-life balance, equal opportunities and integration of disadvantaged groups is related to the fact that the main target group of annual reports has traditionally been shareholders and financial community. Therefore, the reports were often more akin to providing a message 'we are a successful company with a well-educated and highly competent workforce' rather than 'we are a socially responsible company, taking good care of our employees.'

Even if the dominant schools stated to be fashionable and models for their adaptations in the Finnish context did not fully materialise in the reports, one could still suggest that the logic and the way of thinking behind these was implicitly present in the disclosures. It should be noted that the starting point of HRCA and IC of providing information in order to improve management decision-making is not necessarily contradictory to CSR. Nor this is the case with the logic behind the idea often presented in the Finnish literature reviewed here, which could be summarised as: 'a well-educated personnel in a good state of health contributes to the corporate economic performance'. However, there is a need for HR reporting also to pay attention to increasing public calls for accountability and move beyond the current approach focusing narrowly on economic sustainability of the company.

More recently, in line with the Finnish approach emphasising employee health and working capacity, there have been efforts to integrate concerns with regard to ageing of employees and employee well-being more firmly into HR reporting (see Ahonen, 2002; Teronen, 2000). The government's well-being at work programme produced a report on HR reporting, management and coping with work (Ahonen, 2002). The report focuses on the use, development and interpretation of HR statements as a management tool, even if it also suggests that the results of the measurements can be used for reporting both within and outside of the company. The report criticises the tendency of intangible assets literature to focus narrowly on

employees as individuals and groups creating and treating knowledge. Furthermore, it intends to expand this view to cover also employee health and well-being, one of the most important theoretical observations of the research being that these are part of the knowledge capital of the organisation as well. The report also introduces a variety of indicators related to measuring leadership, knowledge and competence, social issues such as balance between work and private commitments, as well as set of mental and physical indicators.

However, even if employee viewpoints are taken into account in the suggested indicators, the report pays very little attention to issues such as equal opportunities, or security in employment and completely ignores responsible downsizing practices. This, even if all these could well be argued to contribute to employees' well-being and coping with work.

The Commission's Green Paper on CSR (2001b) devotes a section to "Adaptation to change" and suggests that: "Restructuring in a socially responsible manner means to balance and take into consideration the interests and concerns of all those who are affected by the changes and decisions". In a small country like Finland, the macroeconomic impacts and social costs of downsizing can be substantial, and seriously affect especially small communities in the countryside. In the current situation, where even profitable companies are making their employees redundant, on the grounds that labour is cheaper elsewhere, or for cost-efficiency reasons, and at the same time, for example, distributing extra dividends to their shareholders (see for example Lehtinen, 1999; Seies, 2004; STT, 2005; Tylli, 2004), it might be worthwhile to increase the accountability of companies to the public in respect to consequences of these actions to the society and what the company has done, if anything, to alleviate those.

Commonly agreed guidelines and criteria for measurement, reporting and assurance at the European level could provide more consistency between disclosures. However, after 20 months of process the CSR multi-stakeholder forum failed to make concrete proposals on the issue, due to stakeholders' differences on opinion on reporting and transparency issues (Hontelez, 2004).

The question also remains, whether any voluntary guidelines would be enough. Especially poorly performing companies are unlikely to disclose information unless it is made compulsory. Recent developments indicate, that steps, even if cautious, to this direction might well be taken at the European level in the future. In 2003, the European Parliament accepted amendments to the accounting directive, requesting companies to present financial and, where appropriate, non-financial key performance indicators, including information relating to environmental and employee matters in their annual accounts. This, "to the extent necessary for an understanding of the company's development, performance or position". Whereas the directive makes a reference to the Commission's recommendation (2001/453/EC) on measurement and disclosure of environmental issues in annual reports and accounts of companies, there are still not any corresponding recommendations on measurement and disclosure of 'employee matters' or wider social issues. Therefore, it is left for the corporate management to decide what is the 'necessary' extent. Also the formulation of the sentence suggests that the stress is on the impacts of the company's action on the overall sustainability of the company. In the future, there is perhaps a need to define what 'employee mat-

ters' mean, as well as to expand the definition to cover wider social issues and deal directly with the impacts of corporate actions on society.

Finally, there are several limitations to this research. First of all, it focused on only one area of CSR and consequently there is a need for a more comprehensive research. Furthermore, this research says nothing about volume of disclosures. Moreover, the paper focused on annual reports. Even if, as noted earlier, the other hard copy reports published for the year 2000 were few, there are still several other alternative reporting media such as interim reports, corporate websites, newspaper advertisements and press releases. In terms of regular disclosures, especially corporate websites are worth exploring, as technological advances and the continued increase in Internet access have led to a surge in the use of web as a reporting medium (see Acca, 2001).

Moreover research focused on reports for the year 2000, when CSR as a term was still relatively new in Finland. Therefore, further research would help to indicate possible improvements in the quality and quantity of disclosures. The research could also be expanded to cover stand-alone society reports, the number of which has recently increased⁹.

APPENDIX I

List of indicators and frequency of disclosures

	No.	%
<i>Training and staff development</i>		
Principles		
Life-long learning or continuous learning	34	21
Employability of an employee	0	0
Process indicators		
Training aiming at achieving formal qualifications	42	26
Development discussions	38	24
Initial training	30	19
Job rotation	23	14
Competence appraisals	18	11
Personal development plans	13	8
Support for employees' studies on their own accord	11	7
Measures to integrate low skilled employees	0	0

Continued

APPENDIX I

	No.	%
Performance indicators		
Cost of training	21	13
Time spent for training	21	13
Perception measures (qualitative or quantitative)	8	5
Number of employees participating in training initiatives	0	0
<i>Pay and benefits</i>		
Principles		
Just, equal pay	3	2
Process indicators		
Incentive schemes (results, performance etc. including directors)	70	44
Option schemes (including directors)	58	36
Shares and options owned by individual directors	36	23
Personnel fund	8	5
Performance indicators		
Perception measures (qualitative or quantitative)	2	1
Average wage	0	0
Spread of wages	0	0
Pay and conditions compared against local equivalent averages (qualitative or quantitative)	0	0
<i>Participation and staff involvement</i>		
Principles		
Principle of open or two way communication	17	11
Process indicators		
Representation of personnel in the company's administration	44	28
Teams	38	24
A co-operative body	25	16
Trade-unions, collective agreements	24	15
A suggestion scheme	15	9
Intranet	12	8
Work-force meetings	10	6
A personnel newsletter	6	4
A personnel guide	4	3
Informing personnel about corporate strategy	3	2
Immediate supervisor as a communication channel	0	0
E-mail to the managing director	0	0
Anonymous complaint points	0	0
Informing personnel about financial performance	0	0
Performance indicators		
Perception measures (qualitative or quantitative)	11	7
Number of days or losses related to industrial action	4	3
Ratio of recognised trade-unions to existing trade unions	0	0
<i>Values, principles (with or without reference to HRM)</i>		
Values (full statement or summary)	63	39
A mission (full statement or summary)	42	26
A vision (full statement or summary)	28	18
Ethical or SR principles (full statement or summary)	3	2

Continued

APPENDIX I

	No.	%
<i>Employee health and well-being</i>		
Individual well-being		
Principles		
Stress on preventive activities	5	3
Retaining the personnel working capacity up to proper retirement age	2	1
Process indicators		
Support for sport or recreation	36	23
Support for rehabilitation	17	11
Measurements	12	8
Training or advice on health issues	6	4
Support to employees with mental problems	6	4
Health screening, follow up	5	3
G.P services	5	3
Action against drugs or alcohol	3	2
Special doctor services	2	1
Special attention paid to ageing people	2	1
Surveys on stress	2	1
Performance indicators		
Rate of absence	7	4
Working capacity index	3	2
Occupational health costs	2	1
Perception measures (qualitative or quantitative)	0	0
Work organisation and community (disclosed in context of employee well-being)		
Process indicators		
Improving the leadership skills and procedures	5	3
Improving the co-operative and interactive skills	4	3
Alleviating rush and time pressure	2	1
Improving the management of change and crisis	2	1
Measurements	1	1
Improving internal communication	0	0
Performance indicators		
Perception measures (qualitative or quantitative)	0	0
Work environment and conditions		
Principles		
Principle of zero accidents	3	2
Process indicators		
Health and safety training	19	12
Occupational health and safety system audited by third parties	9	6
Analysing the causes of work-related accidents and safety surveys	7	4
Improving the workplace ergonomics	5	3
Improving the hygiene at work	3	2
Improving the management of threat and violence	3	2
Performance indicators		
Number of occupational injuries	6	4
Perception measures (qualitative or quantitative)	0	0

Continued

APPENDIX I

	No.	%
<i>Measurement of policies</i>		
Process indicators		
Working atmosphere or job satisfaction survey	50	31
Other internal survey	39	24
External survey	11	7
Performance indicators		
Staff turnover	19	12
Breakdown by length of employment contract	16	10
Average length of employment contract	15	9
Standards (qualitative or quantitative)	13	8
Awards (qualitative or quantitative)	9	6
Working atmosphere or job satisfaction index	6	4
Ethical funds (with or without reference to HRM, qualitative or quantitative)	6	4
Retention rate	1	1
<i>Employment policy</i>		
Principles		
Positive employer image	32	20
Process indicators		
Traineeships for students	23	14
Measuring the external employer image	5	3
Company has offered training/employment for		
Unemployed people	1	1
Ageing people	1	1
People with disabilities	1	1
Immigrants or ethnic minorities	0	0
Low skilled people	0	0
Performance indicators		
Number of new recruits	19	12
Number of traineeships	8	5
Results of external employer image surveys (qualitative or quantitative)	5	3
Number of ageing new recruits	2	1
Number of new recruits with disabilities	1	1
Number of new recruits from immigrants/ethnic minorities	0	0
<i>Security in employment</i>		
Principles		
Long, secure contracts	9	6
Process indicators		
Reductions in workforce for economic or reasons related to production (all disclosures)	21	13
Proactive measures to avoid redundancies	6	4
Professional support for redundant employees	0	0
Performance indicators		
Breakdown by part-time or full-time	27	17
Breakdown by fixed term or regular	16	10
Number of internal rotations	2	1
Number of redundancies or dismissals	2	1

Continued

APPENDIX I

	No.	%
Number of other temporary employees	0	0
Perception measures (qualitative or quantitative)	0	0
<i>Equal opportunities</i>		
Principles		
Principle of non-discrimination/equal opportunities	6	4
Process indicators		
Equal opportunity plan	4	3
Diversity or equal opportunity training	1	1
Attention paid to equality in wages	1	1
Measures to facilitate the adaptation of immigrants or ethnic minorities	1	1
Code of practice for sexual harassment	0	0
Code of practice for bullying	0	0
Surveys on equality	0	0
Targetted recruitment in order to balance gender segregation	0	0
Measures to facilitate the adaptation of people with disabilities	0	0
Performance indicators		
Breakdown by age	31	19
Average age	27	17
Breakdown by gender	26	16
Number of women in management positions	6	4
Number of immigrants or employees from ethnic minorities	1	1
Number of people with disabilities	1	1
Number of people with disabilities in management positions	0	0
Number of people with ethnic background in management positions	0	0
Number of legal non-compliances with legislation	0	0
Workforce profile compared to the community profile for travel to workforce (qualitative or quantitative)	0	0
Perception measures (qualitative or quantitative)	0	0
<i>Work-life balance</i>		
Principles		
Principle of work-life balance	3	2
Process indicators		
Flexitime	4	3
Support for childcare	0	0
Better maternity or parental leave advantages than stipulated in law and collective agreements'	0	0
Encouragement for men to use their family leave options	0	0
Complementary training for those returning from family leave	0	0
Survey on work-life balance	0	0
Concierge services	0	0
Performance indicators		
Perception measures (qualitative or quantitative)	0	0

APPENDIX II

Companies who sent their respective reports by industry

	No.	%
Business services	3	2
Chemicals and plastics	7	4
Construction or materials	5	3
Consumer services	5	3
Electronics	8	5
Energy	8	5
Finance and investment	8	5
Food and drinks	16	10
Forest	4	3
Furniture	3	2
Information technology	2	1
Insurance	8	5
Media	7	4
Mining, metals and metal products	18	11
Motor vehicle sales	1	1
Multisector	17	11
Packaging	1	1
Retail trade	20	13
Telecom services	3	2
Textiles	2	1
Transport and forwarding	8	5
Wholesale trade	3	2
Wholesale trade or daily goods	3	2
All	160	100

Notes

¹ Percentages are based on personnel communication with J. Dawkins, Mori, 3rd May 2005.

² CSR Europe started as the European Business Network for Social Cohesion and was founded as a result of the European Declaration of Businesses against Social Exclusion, officially signed at a conference in London on 11 and 12 May 1995.

³ Word 'costing' was added to the original HRA concept to stress the importance of cost factors to HRM (see Gröjer and Johanson 1996).

⁴ Balanced scorecard was proposed in a series of three articles (Kaplan and Norton, 1992, 1993, 1996) in the Harvard Business Review. It came about in recognition of the fact that financial measures are lagging indicators of performance and sought to provide indicators permitting corrective action before financials are impacted (Tayles et al., 2002).

⁵ The 'working capacity index' is a product of the Finnish Institute of Occupational Health and it based

on the survey consisting of seven factors, each having an impact on employee's occupational health (Finnish Institute of Occupational Health, 1998).

⁶ As an exception to this rule, four companies produced an annual report only in English and three only in Swedish, which is the second official language of Finland. These were accepted to the sample.

⁷ As an example, length of combined maternity and parental leave is over 10 months and earning related allowance accounts for 70% of the earlier salary (for more details see Kela, 2002). Furthermore, a comprehensive, affordable child care system is organised by local authorities (see for example Kröger and Zechner, 2000).

⁸ Only three companies disclosed some form of HR profit and loss account, one of those also HR balance sheet.

⁹ Of the ten biggest companies by financial statements for 2000, as many as eight had a CSR or sustainability report for year 2004, or stated the publishing date of one on their respective web site, on 7th May 2005. Four of those also provided a possibility to order the report in a hard copy form.

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