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► To cite this version:

Bruno Oxibar, Frédérique Déjean. Corporate social disclosure and legitimation strategy : a longitudinal study of Pechiney. 30 ème congrès de l'EAA, Apr 2007, pp.22. halshs-00150591

HAL Id: halshs-00150591

<https://shs.hal.science/halshs-00150591>

Submitted on 30 May 2007

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Corporate social disclosure and legitimization strategy : a longitudinal study of Pechiney

Academic literature rarely deals with corporate social disclosure (CSD) in the French context. Some works focused on specific themes such as environment (Pelle-Culpin, 1998) or the determinants of disclosures (Oxibar, 2003). This paper consists in a longitudinal study of Pechiney CSD practices during the second part of the XX century. The research aims at identifying the determinants of such practices. To do so, we document the link between CSD practices and public's concern. The objective is to understand the motivations of companies in disclosing non financial information.

Our theoretical framework is derived from legitimacy theory. Based on seminal work of Lindblom (1994), Deegan, Rankin & Tobin, (2002), we argue that CSD can be considered as a legitimization strategy. Indeed, CSD is a means used by firms to inform its stakeholders and also to manage public impressions as demonstrated by Neu, Warsame & Pedwell (1998).

First of all, we describe the theoretical framework of the study. Then, we indicate the methodology we developed. Finally, we present our results.

Theoretical framework

In order to gain resources they need, organisations have to interact with their environment. Consequently their survival depend upon the procurement of crucial operational resources. For that reason, the capacity of the organisations to manage external demands is fundamental to their durability. In this perspective, legitimacy becomes a strategic tool with a socio-political dimension. Indeed, organisations are able to manage the acceptability of their activities.

Strategic approach poses that organisational legitimacy is based on the idea of social contract. Thus, in order to insure their continuity, organisations have to be congruent to social values and expectations. In the same way, Dowling and Pfeffer (1975 : 131) argue that organisational legitimacy is acquired when this congruence exists. They point out that "since legitimacy is a constraint on behaviour, organisations in which values, output, or methods of operation are currently at variance with social norms and values will tend to alter these values, outputs, or methods of operations to conform to social values". They examine organisational conformity to social expectations and identify three legitimating strategies :

- organisations can adapt their output and goals to conform to prevailing values of their environment ;

- organisations can attempt through communications to alter the definition of social legitimacy so that it conforms to the organisations' present practices ;

- using the same means, organisations can attempt to become identified with symbols, values, or institutions which have a strong base of social legitimacy.

In the same way, Lindblom (1994) presents four strategies which organisations seeking legitimacy could adopt :

- educating and informing their relevant publics about changes in the organisations' performance and activities ;

- changing the perceptions of the relevant publics without changing their actual behaviour ;

- manipulating perceptions by deflecting attention from the issue of concern to other related issues ;

- changing external expectations of their performance.

From a managerial point of view as argued by Ashforth and Gibbs (1990) organisations may acquire legitimacy by developing two kind of management: substantive management and symbolic management. Substantive management involves material changes in organizational goals and structures. In this perspectives, organizations will respond to the demands of their stakeholders. Regarding symbolic management; organizations seek to appear consistent with social expectations. Corporate social disclosure can be considered as symbolic management. So, we postulate that corporate social disclosure is a legitimation strategy.

Previous studies

In order to explain CSD practices, in a legitimacy theory perspective, studies propose several different approaches. A first group of studies tests legitimacy theory arguments in examining effects of threats to a firm's legitimacy on its social disclosures (Patten, 1992 ; Deegan et Rankin, 1996). This research hypothesizes a variation in the level and quality of firms' social disclosure in conjunction with a social (particularly environmental) crisis that the company has caused. For example, Patten (1992) studied the effects of the Exxon Valdez oil-spill on the social disclosures of petroleum firms. The author demonstrated an increase in the level of environmental disclosures not only of Exxon, but also of the firms in the industry. Deegan and Rankin (1996) investigated the social disclosure practices of companies which were subject to

successful prosecution by Australian Environmental Protection Authorities (EPA). A comparison between the disclosures made by companies prosecuted and those of companies which were not shows an increase in the level of environmental disclosures (especially positive) of companies prosecuted by the EPA.

This research provides empirical evidence supporting the contention of an adaptation of CSD made by companies facing a threat to their legitimacy.

A second group of studies aims at linking CSD to public pressures. These studies, based on the hypothesis of CSD as a response to public pressure, try to establish correlation between these two dimensions. From a methodological viewpoint, the research differs in the way in which it proceeds to the valuation of the public pressure. Thus, some studies adopt an historical perspective and record major events and issues relating to a company and its immediate environment to assess this dimension (Guthrie et Parker, 1989 ; Deegan, Rankin et Tobin, 2002 ; Brown et Deegan, 1998).

Guthrie and Parker (1989) propose a longitudinal analysis of social information disclosed by an Australian company belonging to steel industry : the BHP Broken Hill Proprietary company Ltd. This study aims at demonstrating that corporate social disclosure represents a legitimation strategy. Thus the researchers hypothesise that company disclose social information as a response to external factors (economical, social, political).

The authors mobilise an historical method in order to collect, describe and analyse social disclosure of BHP. To do so they proceed to a content analysis of annual reports of BHP over a 100 years period. The categories of social information studied deal with environment, energy, human resources, products, community.

Besides, Guthrie and Parker construct a database of main events and themes concerning BHP. These data are taken from a variety of previous historical studies related to either this company or the industry it belongs to.

The paper consists in comparing on the one hand the level of disclosure in BHP annual reports and on the other hand the events that may have affected (before or during the peak of company disclosure) the company or its socio-economical environment, for each category.

Indeed, Guthrie and Parker posit that when it exist a correspondence between peak of disclosure and striking events, it means that company tries to legitimise its activity by mean of CSD.

The researchers fail in establishing a link between CSD and political and economical events affecting BHP or its environment. For example, the company disclose information while no crucial event occurred. On the contrary, CSD is not affected by socio-economic events.

“CITATION” (p.351) Then, Guthrie and Parker conclude that legitimacy theory fails at explaining corporate social disclosure practices during the period covered by their study.

Brown and Deegan (1998) propose a test of legitimacy theory and aim at establishing a link between the coverage of environmental topic in the media and the level of environmental disclosure in the annual reports of several companies. Based on media agenda setting theory, the authors posit that a high level of coverage of a topic in the media is associated with an high degree of priority of this theme for the public.

In a longitudinal study of 5 years on the 1981-1994 period, the authors collect information on environmental topic associated with the activity of Australian companies. The authors scan 7 newspapers and classify the articles by industry and according to the nature (positive or negative) of the information. Brown and Deegan proceed to the same classification (industry and nature) of the environmental information disclosed in the annual reports.

Finally, they partly confirm their hypothesis. The authors underline that the weak number of observations could constitute a limit of their study. In order to improve their work, Brown and Deegan suggest to associate a weight to the information disclosed in the media. The weight would be established considering the audience of the media, the location of the information in the media and, then, the form of the information.

Beside these methodological considerations, the authors underline their contribution to the knowledge of the link between corporate environmental disclosure practices and the coverage of environmental topic by the media.

Deegan Rankin and Tobin (2002) follow previous studies by Guthrie and Parker (1989) and Brown and Deegan (1998). Their study consists in a longitudinal study of the information disclosed by the BHP company (the same company than Guthrie and Parker) over a 15 years period. From a methodological viewpoint, the authors proceed to the comparison of the information disclosed by the BHP and public concern for the topic. Deegan Rankin and Tobin use media attention as a proxy for this dimension. Indeed, as argued earlier by Brown and Deegan (1998), the authors consider that media coverage of a topic is a good estimate of public attention on the theme.

Based on legitimacy theory, their study consists in identifying changes in corporate social disclosure in relation to changes in public concern on a topic. Then Deegan and al. (2002), proceed to a content analysis, on the one hand, of the information disclosed in BHP's annual reports and, on the other hand, to the coverage of social topic in several Australian newspapers.

The authors propose to test the following hypothesis :

First hypothesis : a high (low) level of attention for the theme of corporate social and environmental responsibility in the media is associated with a high (low) level of social information disclosed in the annual reports of BHP.

Second hypothesis : a high (low) level of negative information on the theme of corporate social and environmental responsibility in the media is associated with a high (low) level of positive social information disclosed in the annual reports of BHP.

Deegan and al. (2002) confirm these hypotheses for social information dealing with environment and human resources. The authors conclude to the validity of the hypothesis of social disclosure as a legitimization strategy.

Other studies use industry classification as a proxy for public pressure. Patten (1991) studies corporate social disclosure of a sample of 128 companies. The author aims at linking corporate social disclosure and profitability or public pressure. Patten (1991,p.297) argues that "social disclosure is a means of addressing the exposure companies face with regard to the social environment" and adds that "the social legitimacy of business is monitored through the public-policy arena rather than the marketplace". The sample for this study includes companies belonging to high-profile, medium-profile and low-profile industry. In order to determine corporate social disclosure, Patten proceeds to a content analysis of the annual reports of the companies. He selects as a proxy for public pressure not only the industry but also the size of the company. Following Cowen, Ferreri and Parker (1987, p.113), the authors argues that "larger companies tend to receive more attention from the general public and, therefore, to be under greater pressure to exhibit social responsibility". Patten measures profitability using several proxies (ROA, ROE) and hypothesizes that there is no significant link between profitability and the level of corporate social disclosure.

Patten compares the relationship between corporate social disclosure and, on the one hand profitability, on the other hand, public pressure. The study reveals a better link between public pressure and corporate social disclosure. However, Patten (1991, p.305) indicates that

“interpretation of the results is subject to the assumption that the proxy variables used are reliable indicators of the public pressure companies face”.

Studies, which try to establish a link between CSD and public pressure, produced mixed results. Nevertheless, for the researchers, difficulties arise more from the modelling of the public pressure than from the hypothesis of the existence of an association between these two dimensions.

Our study follows the seminal work by Guthrie and Parker (1989) and uses a methodology similar to the one build by Brown and Deegan (1998). We propose to study social information disclosed by Pechiney during the second part of the 20's century.

This company has been elected as it operates in an industry close to the one in which the BHP used to run. Moreover, Pechiney has developed an important records office of the industry and the company itself, allowing an easier data collection.

In this study, we try to identify the incentives for a company to disclose social information. More accurately, we try to demonstrate how Pechiney has developed a discourse about social responsibility as a legitimization tool, in order to respond to public pressure.

Methodology

Most studies use content analysis of annual reports to evaluate CSD. Gray, Kouhy, Lavers (1995b, p.82) indicate that “*the annual report is used as the principal focus of reporting*”. There is little justification for this use but that the annual report is an official document with a periodical publication. The level of credibility of this support is a first justification for exclusively using annual reports in the analysis. Thus, for Neu, Warsame and Pedwell (1998, p.269) “*the annual report possesses a degree of credibility not associated with other forms of advertising*”. Its audience constitutes another argument for focusing on this sole media. Ernst and Ernst (1978, p.5) argue that “*its wide distribution makes the annual report an especially appropriate forum for [social] disclosure*”.

In addition, the regularity of its production and its availability constitute other criteria that legitimise the choice of this support for CSD analysis. Gay, Kouhy and Lavers (1995b, p.82) summarise : “*the annual report not only is a statutory document, produced regularly, but it also represents what is probably the most important document in terms of the organization's construction of its own social imagery*”.

Following Ernst and Ernst (1978), researches have focused on this sole medium to explore social information. However, some researchers pointed out some limitations in the use of this

unique support. Parker (1982) notes that annual report is not appropriate to a mass audience communication and presents a relative rigidity of format. Moreover, an annual periodicity seems inadequate to disseminate as often as required by the characteristics of social information. Furthermore, Preston (1981) notes that mass media could better respond to stakeholders' demands. As Zeghal and Ahmed (1990) add, “unlike annual reports, mass media vehicles are both timely and flexible, and, for example, can be used to disclose information immediately after the commission of a socially responsible act by a corporation”. In order to get a broader view of CSD, some studies have chosen several media for their analysis : brochures, advertisements (Zeghal et Ahmed, 1990), environmental reports (Harte, Lewis and Owen, 1991; Buhr and Freedman, 1996) and Web Site (Williams and Ho Wern Pei, 1999). The results show that many supports other than annual reports contain social information, which allows obtaining a more complete picture of CSD.

Moreover, as indicated by Parker (1982), annual reports, “*is inaccessible to a large majority because it fails to meet their information needs or because it is not easily understood by unsophisticated audiences*”.

Nevertheless, as our work is a monographic one, we need a homogeneous source of information that exists since the beginning of the related period. So we decided to base our study on annual reports, following previous researches arguments. Indeed most CSD studies refer to annual report as a support of analysis (Ernst and Ernst, 1978 ; Trotman and Bradley, 1981 ; Cowen, Ferreri and Parker, 1987 ; Guthrie and Parker, 1989, 1990 ; Roberts, 1991 ; Gray, Kouhy, Lavers, 1995 a-b ; Deegan and Gordon, 1996 ; Deegan and Rankin, 1996 ; Hackston and Milne, 1996 ; Neu, Warsame and Pedwell, 1998).

As we use the same support as these anterior works, we tried to improve the treatment of data developing a tool of content analysis specific not only to the French case but also to a longitudinal study.

In order to inventory the annual reports available over the period of study (1945-2001) we address the *Institut de l'histoire de l'aluminium* (IHA – Aluminium History Institute)¹. The arguments justifying the choice of the time period are the following. The definition of the beginning bounds depends on the foundation of *Le Monde*² newspaper. This media has been mobilised in order to characterize public pressure. The ending bounds was defined regarding

¹ Institut de l'histoire de l'aluminium is an association founded in 1986 with the financial support of Pechiney (nowadays Alcan). It aims at preserving heritage and support any kind of studies (economical, technical, cultural, commercial) related to aluminium history.

² *Le Monde* is the leader among French generalist newspapers and is supposed to be independent from political influence.

the promulgation of *Loi NRE* (New economic regulations law³), as we focus on non obligatory disclosure which is congruent with the discretionary dimension of CSR.

Analysis of disclosure : a refined grid of analysis

This grid allows an analysis of social information disclosed from both a qualitative and quantitative dimensions. Several qualitative criteria have been defined to obtain a classification of the information depending on theme of disclosure, on type of disclosure, on news categorisation and on location of the information. Concerning the quantitative aspect we discuss the reliability of the measurement of the information.

Qualitative criteria

Theme of disclosure : The first stage to achieve while conducting content analysis is to define categories responding to the criteria of objectivity, exhaustivity, exclusivity and reliability. According to Gray, Kouhy and Lavers (1995b), the objectivity criterion, also called reproducibility by Krippendorff (1980), “requires that independent judges would be able to identify similarly what was and was not corporate social responsibility”. The systematic criterion regroups criteria of exhaustivity and exclusivity. The former means that information cannot be affected to another category and the latter means that all relevant information is coded. In their pioneer study, Ernst and Ernst (1978) define the following categories : environment, energy, fair business practices, human resources, community involvement, products and other social responsibilities disclosed. And mainstream CSR literature uses nearly the same, some of them defining some subcategories of the Ernst and Ernst’s typology. According to previous studies, we transpose and slightly adapt these categories to the French case and obtain the following categories and subcategories :

- Environment (Pollution, Recycling, Energy, Aesthetics, Certification, Others)
- Human resources (Health and Safety, Training, Remunerations, Social relations, Restructuring, Other)
- Products (Research and development, Quality, Safety, Other)
- Community (Arts, Education, Health, Others)
- Fair Business Practices

³ *Loi NRE* (New Economic Regulations Law) has been promulgated in May 2001 so as to make mandatory the publication of social corporate information by French listed companies.

Type of disclosure : Studies of CSD practices proposed to classify disclosure as ‘declarative’, ‘monetary quantitative’, ‘other quantitative’ (Guthrie et Mathews, 1985 ; Guthrie et Parker, 1990 ; Gray, Kouhy, Lavers, 1995b ; Hackston et Milne, 1996). Following these authors, we use the type of information to describe CSD and determine this type using a definition by Gray and al. (1995b, p.99) who indicated that “*disclosure was classified as ‘monetary quantitative’ if it contained and was related primarily to financial disclosure of actual financial numbers ; ‘other quantitative’ if it contained and was primarily related to actual numbers of non-financial nature ; and ‘declarative’ otherwise*”.

News categorization : Gray et al. (1995b) describe three kinds of news : neutral, good, and bad and underline the subjectivity of the criteria. In order to avoid that bias they posit the following :

Neutral information is a “*statement of policy or intent within statutory minimum with no details of what or how ; statement of facts whose credit/discredit to the company is not obvious – which are unaccompanied by editorializing*”. Then they define good information as “*statements beyond the minimum which include (for example) specific details where these details have a creditable or neutral reflection on the company ; any statements which reflect credit on the company ; upbeat analysis/discussion/statements*”. Finally, for these researchers bad information is “*any statement which reflects/might reflect discredit on the company. Include, for example, numbers made redundant (if redundancy s spoken of as a human rather than an economic act), and any increase in accidents*” (p.99)

Few studies, in the literature, give an argument for this criteria to be selected. Nevertheless, some researchers ask the question of the ability of the firm to disclose bad information (Deegan et Gordon, 1996 ; Deegan et Rankin, 1996). This could be a justification for the inclusion of that criteria in the analysis of CSD all the more so as the question of the reliability of the information disclosed arises.

Location of the information : In order to determine the importance of a topic for the reporting entity, most studies define the criteria of location of the information. This issue concerns the place of CSR within a document (generally the annual report) and various arguments for the selection of that criteria have been proposed which refer to the likelihood of being read, the coverage by the auditor, or the importance attached to the issue due to a disclosure in a separate section or booklet. We also elected the criteria of location of the information.

Nevertheless, we define a slightly different criterion of location of the information based on the depth of the information in the annual reports.

Quantitative criteria : measurement of the information disclosed

After this definition of qualitative criteria for CSD analysis, it is necessary to define how to measure the information disclosed.

Content analysis studies are based on the assumption that the extent of disclosures within a category signifies that the issue is of importance for the reporting entity (Cowen, Ferreri and Parker, 1987 ; Guthrie and Parker, 1989 ; Patten, 1991 ; Deegan and Rankin, 1996 ; Gray, Kouhy, Lavers, 1995b ; Neu, Warsame and Pedwell, 1998 ; Unerman, 2000). Content analysis is defined by Abbott and Monsen (1979) as “a technique for gathering data that consists of codifying qualitative information in anecdotal and literary form into categories in order to derive quantitative scales of varying levels of complexity”. The literature generally adopts one of the two following measurement method : the number of disclosures or the amount of disclosures.

The question of the measurement of CSD has been debated in the literature, asking the relevant unit of analysis : word, sentence, paragraph or portion of page. Most researchers do agree that sentences are more suitable than words to capture the signification of information. Indeed individual words have no meaning without a sentence or sentences for context (Milne and Adler, 1999). In addition to the debate over the meaning of information, studies deal with the choice of the measurement unit. They intend to quantify the CSD using word, sentence or portion of page. According to Unerman (2000), different measurement techniques might lead to different impressions of the relative importance of each disclosure category. In order to demonstrate the best reliability of a method over the others, Hackston and Milne (1996) test three different measures of volume (words, number of sentences and proportion of page) at the level of total disclosure and find similar results. For instance, counting words with precision doesn't permit increasing understanding while using sentences provides better reliable data for analysis.

For our study we decided to measure CSD using a portion of standard A4 page.

Qualitative criteria, defined previously, allow the construction of the grid of CSD analysis which is presented in appendix 1. Using this grid and the measurement method described, we will be able to determine CSD within annual reports. In the following section, we describe and discuss the method of public pressure measurement.

Appendix 1 – Grid of analysis

	ENVIRONMENT						HUMAN RESOURCES						PRODUCTS				COMMUNITY				Fair business practices	Other
	pollution	Recycling	Energy	Aesthetics	Certification	other	Health and safety	Training	Remuneration	Social relations	Restructuring	other	Research and development	quality	safety	other	Arts	Education	Health	Others		
Monetary																						
Quantitative																						
Declarative																						
Good																						
Neutral																						
Bad																						
Depth 1																						
Depth 2																						
Depth 3																						
Depth 4 +																						

Measurement of public pressure

According to media agenda setting theory, we decided to measure public pressure using content analysis of media. As said earlier, we chose *Le Monde* over the period covered by our study, 1945-2001. From a technical point of view, *Le Monde* provides archives on a digital database from 1987 to nowadays and for the previous period there is storage available on microfiches.

We proceeded to several methodological choices due to the specificity of these databases. First, we had to define two kind of methodology for content analysis of two different databases. On the one hand, for the microfiches version, we decided to limit our content analysis to the sole front pages because of the important volume of the data, *Le Monde* being a daily newspaper. Beyond this material constraint, we argue that focusing on the sole front pages is congruent with the common idea that the most important information for the discloser stand in the front page. Indeed, following Lymer (1997), we can admit that the deeper the information is in the newspaper, the harder it is to find and therefore the lower the priority the issue is likely to have received. Then, we scanned all the front pages of *Le Monde* for the period 1971- 1986. As we made it earlier for the annual reports, we constructed a thematic grid to codify the social information disclosed in the newspaper. As our objective is to compare social disclosure in both media, we kept the same categories of social information to classify information: Environment, Human Resources, Products, Community, Fair Business Practices. During the codification of data, some themes of disclosure raised allowing us to enrich our seminal proposition of grid. Particularly, we completed the Human Resources category with the two following subcategories: “Trade unions” and “Labour organization”. In the same way, the issue of “Certification” has been added to Environment category.

According to the methodology of content analysis developed for annual reports, we also quantify and qualify social information disclosed. While we achieved the classification of information by themes then we measured the volume of information whether in proportion of front pages for the information entirely developed in the first page whether related to its depth (evaluated by a ratio between a standard volume of information and the page number) when the information was announced on the front page but entirely developed inside the newspaper. For the qualitative dimension, we sorted the information according to the following news categorizations: good, neutral or bad.

For the digital version of *Le Monde*, we chose a quite different methodology. We conducted our content analysis, based on key words, using EUROPRESS database which provides

digital version of *Le Monde* since 1987. While the digital version is more convenient for the scanning of the full version and not only the front page, keeping in mind the objective of homogeneity, we also decided to limit the codification of this period (1987-2001) to the front pages.

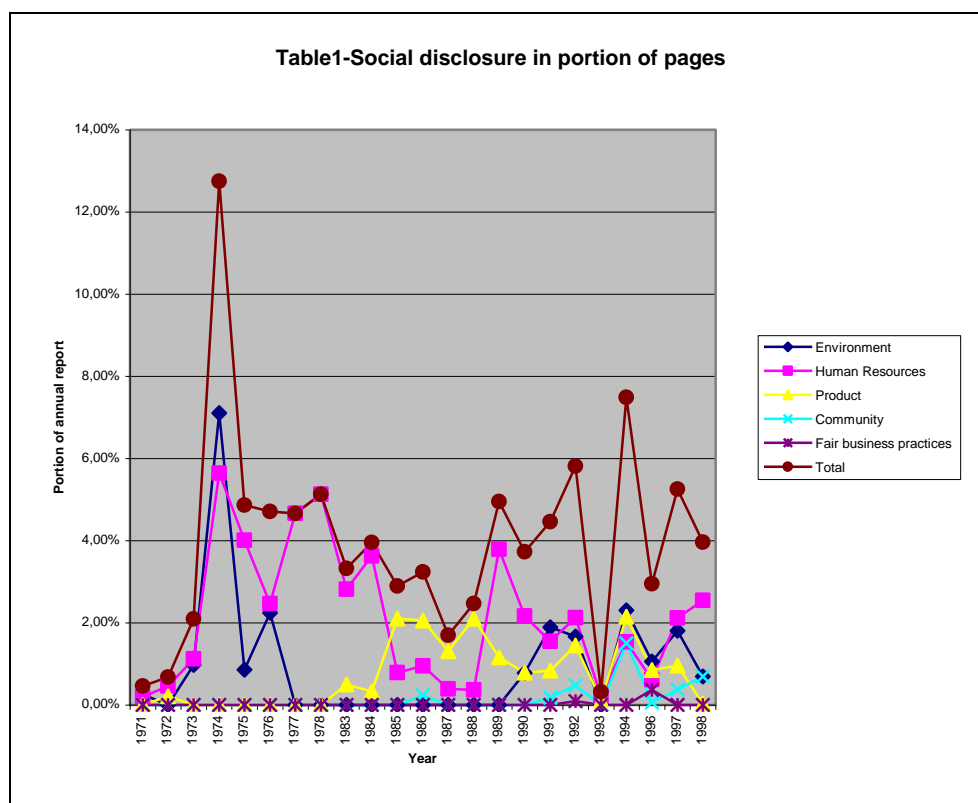
Hereafter is the list of keywords we use to collect data from *Le Monde* digital database:

Environment	Human Resources	Community	Industry
Pollution	Trade Unions	Corporate Sponsorship	Steel
Environment	Strikes		Metallurgy
Ecology	Lay off		Restructuring
Ecological	Labour organization		

Results

We proceeded to the codification of Pechiney's annual report for the period 1971-1998. Unfortunately IHA wasn't able to provide us with the annual reports for the years 1979 to 1982 and for 1985 and there was no way to get them from any other source of information. Finally, our study of social information disclosed by Pechiney is based on 23 observations over the period 1971-2001.

Our aim is first, to describe social disclosure by Pechiney. While analyzing disclosure, we could underline the permanence or the strong variability, even the absence, of social themes in annual reports. Doing so, we are able to capture the social responsibility of this company. Moreover, this analysis allows us to indicate the evolution of themes of disclosure, if they do exist, during the period.



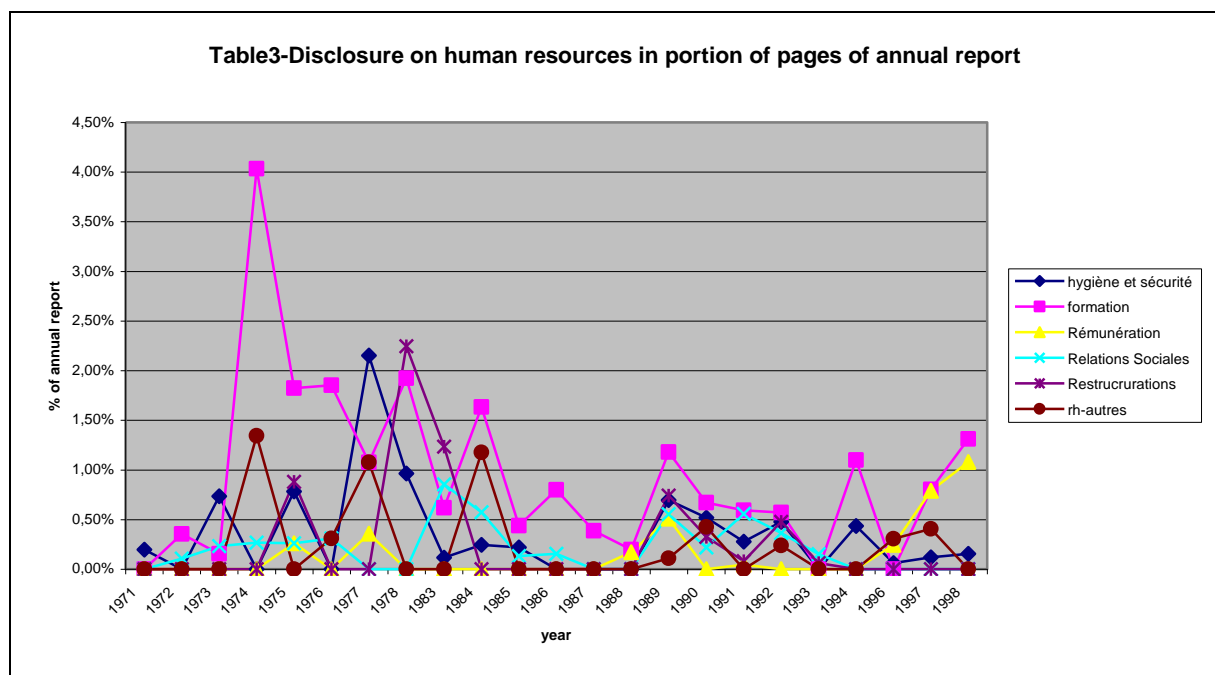
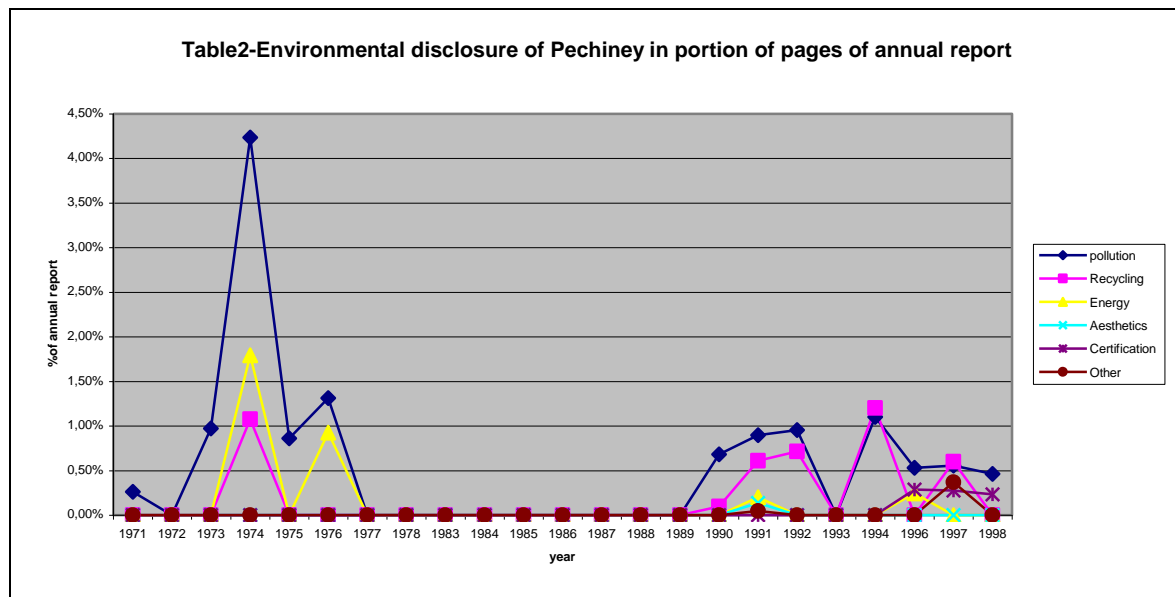
First of all, results show that during the period of study major themes of diffusion are related to Environment and Human Resources. Secondly, it is surprising to notice that during this period the volume of social information disclosed didn't increase, which is in opposition with the idea commonly shared. Thus, the volume of social information disclosed appears more important in the 70's than during the more recent period (see Table 1). Henceforth, some passages taken from annual reports confirm the interest of Pechiney to social responsibility in this early period.

Array 1 – Annual reports of Pechiney for 1974 and 1975

Environmental dimension	Human Resources
Les problèmes de l'environnement ont pris une grande acuité au cours des dernières années et ont provoqué à l'égard du Groupe des critiques rendues excessives par leur caractère systématique. Les sociétés portent à cette question la plus grande attention. Aussi consacrent-elles une part notable et croissante de leurs investissements aux actions de lutte contre la pollution. <i>Rapport Annuel 1974</i>	En 1974, comme les années précédentes, l'objectif des sociétés a été de chercher à répondre au mieux à la fois aux impératifs économiques et aux aspirations des hommes au travail. A cet effet, un certain nombre d'entre elles ont entrepris d'ajouter à la dimension traditionnellement économique de leur plan à moyen terme une dimension humaine [...] <i>Rapport Annuel 1974</i>

<p>Lorsque les sociétés du Groupe construisent de nouvelles usines ou modernisent des ateliers situés dans des unités anciennes, elles prévoient les équipements antipollution les plus efficaces qui permettent de satisfaire aux normes les plus sévères en la matière. Elles poursuivent des efforts constants pour améliorer l'environnement des usines anciennes, construites à une époque où les techniques antipollution n'étaient pas encore maîtrisées. <i>Rapport Annuel 1975</i></p>	<p>Porteur d'une large responsabilité sociale, Pechiney Ugine Kuhlmann qui emploie plus de 80 000 personnes en France a voulu atténuer dans toute la mesure du possible les effets de la crise pour le personnel. Chacune des sociétés du Groupe est responsable de sa politique sociale. Pour atteindre l'objectif commun qui était, en 1975, de préserver l'emploi et de faire le maximum pour éviter tout licenciement collectif, ces sociétés ont pris des dispositions adaptées à leur situation propre. <i>Rapport Annuel 1975</i></p>
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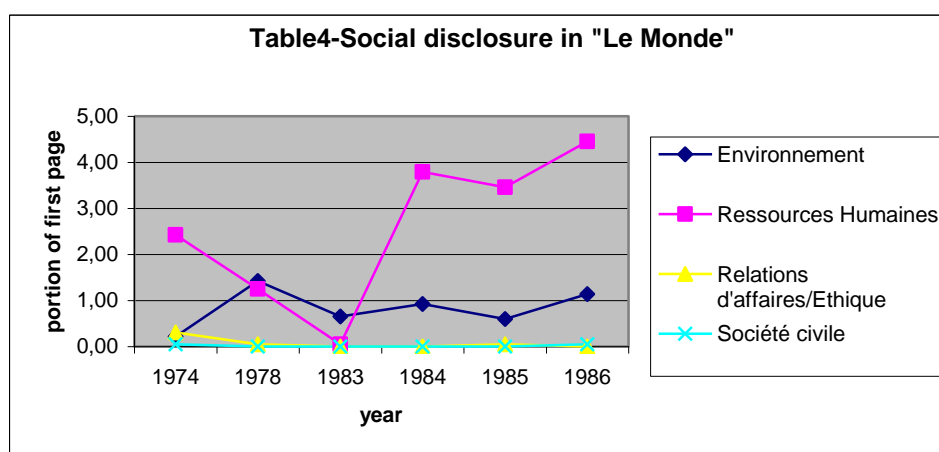
These verbatim point out the social and environmental discourses of Pechiney isn't a recent phenomenon. Besides, it is interesting to underline that as soon as 1974, the company evokes a social dimension in addition to the traditional economic dimension in its mid-term plans. In the 1975 annual report, the company mentions some critics formulated by external observers in relation with its environmental policy and tries to respond to them. It gives Pechiney the opportunity to emphasize the permanent dialogue with community according to its social responsibility. For example, in its 1973 annual report, Pechiney indicates that after 45 days-strike affecting one of its unit, Pechiney decided to publish a "white paper" to inform widely public opinion.



An in-depth analysis allows us to describe accurately the evolution of corporate social disclosure for each prevailing themes: Environment and Human Resources. Regarding Environment, the sub-category Pollution appears continuously, not only in the early period but also in the more recent one and it's always the most important theme of disclosure in this category (see Table 2). Concerning the social dimension, a variety of topics appears along the period, particularly between 1983 and 1998 (see Table 3). Moreover, sub-categories Training

and Health & Safety are systematically mentioned. Furthermore, it seems that the topic of Remuneration becomes more patent in 1996, 1997 and 1998.

In the following paragraph, we will describe the coverage of corporate social and environmental themes by *Le Monde* newspaper during the same period. According to media agenda setting theory, we aim at formalizing public interest for social issues. To do so, we leaded a content analysis of this newspaper and we identified several social themes reported in that medium fir the period. Table 4 shows the coverage of social issues by in the front pages of *Le Monde*.



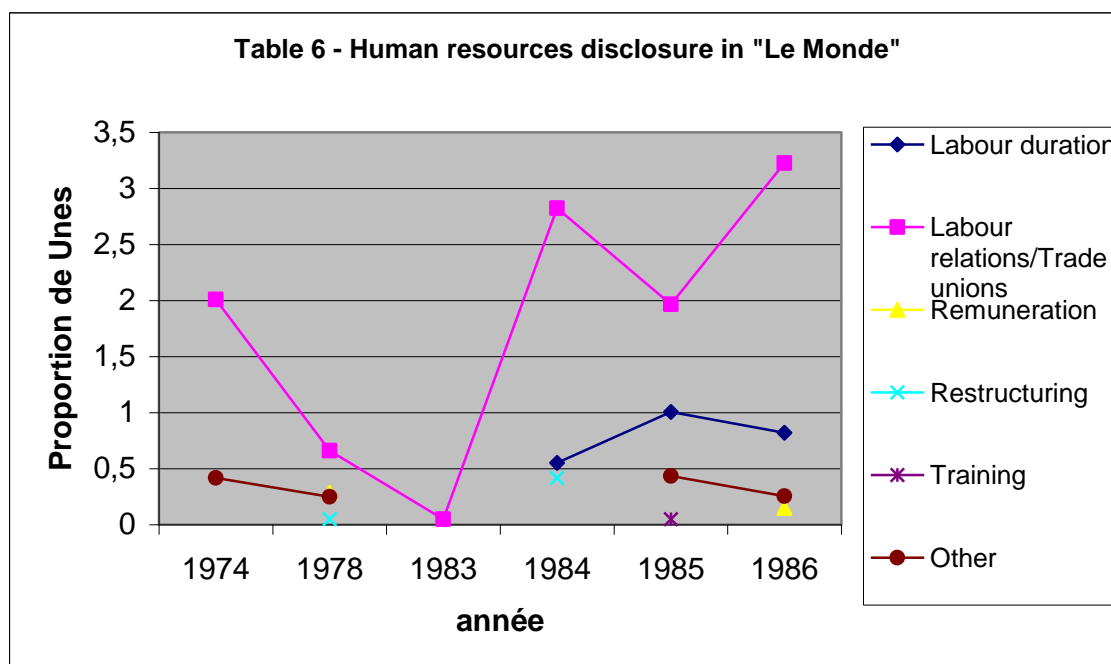
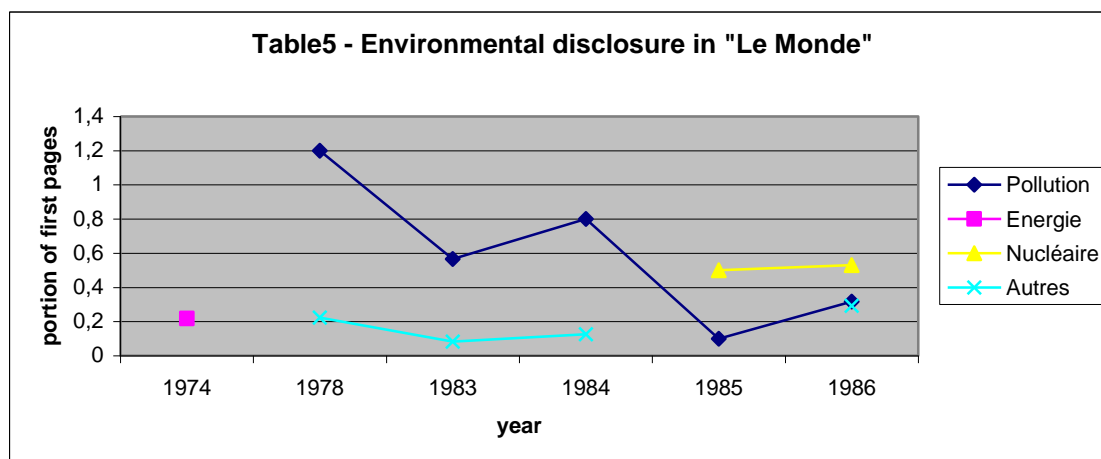
First, we can notice that information related to human resources and environment are disclosed by *Le Monde* each year of observation. Whatever the year, information disclosed on environmental issue keeps roughly the same volume of front pages. Concerning human resources issues, the treatment of that kind of information appears to be more erratic. More precisely, sub categories of information about human resources deal with labour relations and trade unions. Disclosures about remunerations and training appear discretely over the period. Pollution is one of the sub categories of environment which appears constantly but decreasingly from 1974 to 1986 (Table 5).

If we try to compare the information disclosed in Pechiney annual reports on the one hand and in *Le Monde* newspaper on the other hand, we can underline congruence between themes of disclosure in these two media. Thus, predominant themes of disclosure are related to

environment and human resources. But whatever the media (corporate annual reports or *Le Monde* newspaper), the topic of human resources is more covered than environment.

Refining our analysis, if we focus on sub categories of disclosure, we can notice an additional analogy between annual reports and the newspaper. The theme of Pollution appears constantly in both media (see table 5).

On the contrary, for sub categories dealing with human resources we could observe the diversity of theme evoked during the period (see table 6).



Discussion

Our study provides some striking results. First of all, this study which covers a thirty years period demonstrates that corporate social disclosure is neither a recent practice nor a practice “à la mode”. Corporate social disclosure has existed for years and continuously till now. We

can even notice that Pechiney dedicated a significant part of its annual report to that kind of disclosure during the early seventies (about 13% of 1975 annual report).

This results tend to confirm the relationship between corporate social disclosure and legitimization strategies. Specifically, passages taken from 1974 and 1975 annual reports (see array 1), constitute discursive elements aiming at legitimating the company *vis-à-vis* public opinion.

We could confirm this assumption while comparing media coverage social themes and Pechiney social disclosure. Indeed, we could established a similarity between topics covered by both supports and could underlined the predominance of environmental and human resources themes. Nevertheless, while human resources constitutes the major topic of disclosure in both media, the coverage of sub categories differs quite a little. Regarding the environment, we notice that in both media the sub category pollution is covered permanently.

A main limit of this research stands in the weak number of observation in *Le Monde*. We could establish a link between legitimization strategy and corporate disclosure but only for a limited period. Consequently it's necessary to increase the number of observations not only in *Le monde* but also in corporate annual reports in order to confirm this link, basing our conclusion on stronger arguments.

Moreover, socio-political transformation occurred during the studied period can't be ignored. For instance, between 1971 and 1998, several events may have affected French economic context : oil-crisis in 1974, nationalisation of large companies initiated by government in 1981, *Bilan social* law in 1977, labour organisation law 1996, the development of ecologist lobby till the second part of the 80's.

Besides, we could enrich the analyse taking into account the events related to Pechiney history during the studied period : changes in board of directors or in ownership, corporate market and/or economic performance evolutions. Those elements could determine Pechiney social disclosure.

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