

# **MIR Series in International Business**

## **Series editors**

Michael-Jörg Oesterle  
Stuttgart, Germany

Joachim Wolf  
Kiel, Germany

Stefan Schmid  
Berlin, Germany

Klaus Macharzina  
Stuttgart, Germany

The MIR Series in International Business is an excellent platform for scholars in International Business and International Management that features state-of-the-art research in the form of monographs and contributed volumes. The series also publishes outstanding English-language PhD dissertations. Its primary goals are the advancement and dissemination of research in the fields of International Business/International Management, and its scope includes all major topics within these fields including Cross-Cultural Management, and Comparative Management. The series is affiliated with the journal Management International Review.

More information about this series at <http://www.springer.com/series/13480>

Péter Horváth • Judith M. Pütter  
Editors

# Sustainability Reporting in Central and Eastern European Companies

International Empirical Insights

 Springer

*Editors*

Péter Horváth  
IPRI gGmbH  
Stuttgart, Germany

Judith M. Pütter  
IPRI gGmbH  
Stuttgart, Germany

ISSN 2511-2244                      ISSN 2511-2252 (electronic)  
MIR Series in International Business  
ISBN 978-3-319-52577-8            ISBN 978-3-319-52578-5 (eBook)  
DOI 10.1007/978-3-319-52578-5

Library of Congress Control Number: 2017941290

© Springer International Publishing AG 2017

This work is subject to copyright. All rights are reserved by the Publisher, whether the whole or part of the material is concerned, specifically the rights of translation, reprinting, reuse of illustrations, recitation, broadcasting, reproduction on microfilms or in any other physical way, and transmission or information storage and retrieval, electronic adaptation, computer software, or by similar or dissimilar methodology now known or hereafter developed.

The use of general descriptive names, registered names, trademarks, service marks, etc. in this publication does not imply, even in the absence of a specific statement, that such names are exempt from the relevant protective laws and regulations and therefore free for general use.

The publisher, the authors and the editors are safe to assume that the advice and information in this book are believed to be true and accurate at the date of publication. Neither the publisher nor the authors or the editors give a warranty, express or implied, with respect to the material contained herein or for any errors or omissions that may have been made. The publisher remains neutral with regard to jurisdictional claims in published maps and institutional affiliations.

Printed on acid-free paper

This Springer imprint is published by Springer Nature  
The registered company is Springer International Publishing AG  
The registered company address is: Gewerbestrasse 11, 6330 Cham, Switzerland

The original version of this book was revised. An erratum to this book can be found at [10.1007/978-3-319-52578-5\\_15](https://doi.org/10.1007/978-3-319-52578-5_15)

# Preface of the Editors

Management International Review (*mir*) is one of the world's leading international business journals. Founded in 1960, it publishes research-based articles that reflect significant advances in the key areas of International Business/International Management and Cross-cultural Management. Yet, not all research in the fields of International Business/International Management and Cross-cultural Management can—in terms of length and depth—be published in the condensed format of a journal paper. Many research topics of these fields are too multifaceted and complex to be sufficiently explored and discussed within a frame of approximately 25 pages. One might even argue that multi-facetedness and complexity are among the core defining characteristics of International Business/International Management and Cross-cultural management in general. Thus, it is not surprising that over decades most research work of these fields was provided in the format of monographs. This holds especially true for academic qualification theses at the doctoral and postdoctoral level which are generally characterized by a sound theoretical foundation, a careful derivation of hypotheses, an extensive and rigorous empirical analysis as well as a detailed discussion of findings. Based on the arguments presented above, one might even argue that the current predominant format of journal articles suppresses many interesting and promising research endeavours.

Furthermore, it is interesting to notice that monographic and paper-based research works differ significantly with respect to the durability of their reception in the scientific community. Although there are some outliers from the general pattern, the quotation of many journal articles lasts only a few years. After a short peak of intensive reception, quite early their footprint starts to fade. Unlike this, there are numerous examples of research books which influence academic thinking over decades. Often, whole generations of scholars revert to them.

In a further dimension, relevant work of practitioners might deliver rich and helpful insights and profound knowledge in the field of International Business/International Management and Cross-cultural Management. But normally such work seems not to be suitable for a publication in an academic journal. Due to these reasons in the year 1993, Gabler (now Springer Gabler) has launched the

*mir*-edition as a German-language book series which by now provides a well-established highly visible resource for publications complementing *mir*'s journal articles. Since then the series has written a remarkable success story.

However, the world of scientific and more applied books is changing in terms of an ongoing internationalization of the knowledge exchange. It is therefore only consequent that Springer and *mir*'s Editors-in-Chief are now introducing an English-language version of *mir*-edition—the **MIR Series in International Business**. This will hopefully help to attract more non-German-speaking readers and authors to the respective topics. The editors think that there is a considerable potential for research- and practice-based books providing firsthand knowledge to both scholars and practitioners. While this series is primarily aiming at scholars and researchers interested in International Business/International Management and Cross-cultural Management, we believe it should also be of interest to managers and consultants who struggle with the same topics in the real world. In this sense, the editors highly appreciate that the first book of the new series is dealing with a topic which is of interest to a real international audience: up to now only little is known about the sustainability reporting in Central and Eastern European companies. This is contradicting the fact that sustainability is of growing importance not only for business and respective decision-makers in the European Union but also all over the world. English as modern lingua franca is therefore a must in order to attract and inform readers coming (not only) from those countries under study.

We do hope that the new series will be as successful as the already existing German-language version and see this as a possibility to further improve the quality of the *mir* product program. It is our intention to publish outstanding work from authors all over the world. We are looking forward to receiving your manuscript and hope to further stimulate the academic and practical discussion in the area of International Business/International Management and Cross-cultural Management.

Stuttgart, Germany  
Kiel, Germany

Michael-Jörg Oesterle  
Joachim Wolf

# Preface

Sustainability reporting has gained a great degree of practical and scientific relevance in the past two decades. Indeed, it has become very difficult to keep up with the plethora of literature on both the theory and practices of sustainability reporting.

Nevertheless, there is a striking regional gap in the literature: our understanding of the state of sustainability reporting in the new EU member states in Central and Eastern Europe is fragmented. In particular, what we lack is a comprehensive country comparison with all ten countries of this region.

This book attempts to close that gap. We carried out a comparative empirical study which includes all the countries in the region. Additionally, eminent academic experts from the countries involved report on the specific situation of the individual countries.

It is hoped this book will not only provide new information for further research but also benefit the sustainability community by creating a network of the researchers and universities involved.

This book also has benefits for sustainability reporting practitioners as it provides extensive information on the design of sustainability reports with consideration of country-specific aspects and characteristics.

We would like to thank all those involved for their work on this project over the past few years:

Lina Dagilienė, Dzineta Dimante, Toomas Haldma, Cezary Kochalski, Nidžara Osmanagić Bedenik, Renata Paksiova, Adriana Rejc Buhovac, Voicu-Ion Sucalã, Tamás Tirnitz and Jaroslav Wagner.

Our thanks also go to the publishers Springer for their interest and support during printing and to Ruth Milewski and Dr. Prashanth Mahagaonkar for their editorial support.



Last but not least, let us not forget all the work that went on ‘in the background’ but that is essential to the completion of any book project. Nicholas Mann, Matthias Kaufmann, Pascal Mangold and Gianmarco Seliger demonstrated great patience and diligence in the correction and formatting of the contributions to this book.

Stuttgart, Germany  
November 2016

Péter Horváth  
Judith M. Pütter

# **Publisher's Note**

## **MIR Series in International Business**

Management International Review has a long-standing reputation as a core scientific resource for researchers working in the fields of International Business, Cross-Cultural Management and Comparative Management. The journal, now in its 57th volume, has been publishing outstanding research that builds and extends International Management theory so that it can contribute to practice of International Management practice. As research communication in these fields is expanding as never before, an additional avenue is needed to portray academic knowledge in the form of well-developed monographs and contributed volumes.

We are pleased to launch the MIR Series in International Business, which we hope to see as a home for the best academic books in the field. Books in this series will help place the vast output of academic research in its relevant contextual form and also become valuable reference works for future academics and researchers to understand the academic trajectory of the topics they are working on.

We hope to build this book series to be a useful complementary resource not only for the patrons of Management International Review but for the International Business research community as well.

# Contents

<b>The Main Aspects of Sustainability Reporting . . . . .</b>	<b>1</b>
Péter Horváth	
<b>Sustainability Reporting in Central and Eastern European Companies: Results of an International and Empirical Study . . . . .</b>	<b>11</b>
Péter Horváth, Judith M. Pütter, Toomas Haldma, Kertu Lääts, Dzineta Dimante, Lina Dagilienė, Cezary Kochalski, Piotr Ratajczak, Jaroslav Wagner, Petr Petera, Renata Paksiová, Tamás Tirnitz, Voicu-Ion Sucală, Adriana Sava, Adriana Rejc Buhovac, Nidžara Osmanagić Bedenik, and Davor Labaš	
<b>Impact Factors on Sustainability Reporting . . . . .</b>	<b>51</b>
Judith M. Pütter	
<b>Sustainability Reporting in Estonia: Patterns of Sustainability Information Disclosure in Estonian Companies . . . . .</b>	<b>63</b>
Kertu Lääts, Maarja Gross, and Toomas Haldma	
<b>Sustainability Reporting in Latvia: Management Views . . . . .</b>	<b>77</b>
Dzineta Dimante and Agnese Alksne	
<b>Sustainability Reporting in Lithuania: The Perspective of Integrated Reporting . . . . .</b>	<b>87</b>
Lina Dagilienė	
<b>Sustainability Reporting in Poland: An In-depth Analysis with Reference to the RESPECT Index Companies . . . . .</b>	<b>109</b>
Cezary Kochalski, Grzegorz Mikołajewicz, Jarosław Nowicki, and Piotr Ratajczak	
<b>Sustainability Reporting in the Czech Republic . . . . .</b>	<b>129</b>
Jaroslav Wagner and Petr Petera	

<b>Sustainability Reporting in the Slovak Republic . . . . .</b>	<b>143</b>
Renata Paksšiová	
<b>Sustainability Reporting in Hungary: Sustainability Reporting Versus Value Reporting? . . . . .</b>	<b>157</b>
Tamás Tirnitz	
<b>Sustainability Reporting in Romania: Is Sustainability Reporting Enough? . . . . .</b>	<b>167</b>
Voicu-Ion Socală and Adriana M. Sava	
<b>Sustainability Reporting in Slovenia: Does Sustainability Reporting Impact Financial Performance? . . . . .</b>	<b>181</b>
Anja Ermenc, Monika Klemenčič, and Adriana Rejc Buhovac	
<b>Sustainability Reporting in Croatia: The Challenges of Sustainable Business . . . . .</b>	<b>199</b>
Nidžara Osmanagić Bedenik, Ivan Strugar, Davor Labaš, and Vedran Kojić	
<b>Corporate Sustainability Reporting: Summary and Conclusions . . . . .</b>	<b>215</b>
Judith M. Pütter	
<b>Erratum to: Sustainability Reporting in Central and Eastern European Companies: Results of an International and Empirical Study . . . . .</b>	<b>E1</b>

# Acknowledgements

We are grateful to all company representatives who participated in the survey, to all academic partners for conceptualizing and executing data collection as well as data analysis and especially to the Péter Horváth Foundation for funding the research activities.

Research activities were funded by



PÉTER HORVÁTH  
STIFTUNG

# List of Abbreviations

B2C	Business to Customer
CC	Corporate Citizenship
CEE	Central and Eastern Europe
CEEC	Central and Eastern European Countries
CFROI	Cashflow Return on Investment
CGCSD	Czech Government Council for Sustainable Development
CR	Czech Republic
CS	Corporate sustainability
CSR	Corporate social responsibility
CVA	Cash Value Added
CZK	Czech Crowns
EAOA	Estonian Act on Accounting
EMAS	Eco-Management and Audit Scheme
EMS	Environmental management system
ESG	Environment, Social and Governance
EST	Estonian companies
EU	European Union
EVA	Economic Value Added
FDI	Foreign Direct Investments
GRI	Global Reporting Initiative
HEX	Helsinki Stock Exchange
ICT	Information and communication technologies
IFRS	International Financial Reporting Standards
InCSR	Corporate Sustainability and Responsibility Institute
ISAE	International Standards for Assurance Engagements
KNF	Polish Financial Supervision Authority
KPI	Key Performance Indicator
LBAS	Free Trade Union Confederation of Latvia
LDDK	Employers Confederation of Latvia

MNE	Multinational enterprise
NAPCSR	National Action Plan for Corporate Social Responsibility in the Czech Republic
NOPAT	Net Operating Profit After Taxes
OECD	Organisation for Economic Co-operation and Development
OSH	Occupational Safety and Health
RC	Responsible Care
ROA	Return on Assets
SME	Small and medium-sized enterprises
SR	Sustainability reporting, sustainability reports
SRI	Socially Responsible Investment
UN	United Nations
UNCED	United Nations Conference on Environment and Development
UNDP	United Nations Development Programme
WACC	Weighted Average Cost of Capital
WCED	World Commission on Environment and Development
WE	Western Europe
WEC	Western European Countries
WSE	Warsaw Stock Exchange

# Editors and Contributors

## Editors

**Péter Horváth** Prof. Dr. Dr. h.c. mult., is emeritus of the Chair of Management Accounting at the University of Stuttgart (retired in 2005). He is Founder and Co-Chairman of the Supervisory Board of the management consulting company Horváth & Partners. Furthermore, he is Founder and Vice Chairman of the Supervisory Board of the International Performance Research Institute gGmbH (IPRI). He received the Honorary Doctorate of Corvinus University, Budapest (2006); European Business School, Oestrich-Winkel (2006); University of West Hungary, Sopron (2011); and University of Tartu, Estland (2014). Since 2013, Péter Horváth is Honorary Member of the International Controlling Association (ICV) and Co-Leader of ICV's 'Ideenwerkstatt'.

**Judith M. Pütter** is Ph.D. candidate at the faculty of Management, Economics and Social Science at Stuttgart University. She is also project leader at the International Research Institute gGmbH, founded by Prof Horváth in Stuttgart, Germany, where she is responsible for different research and consulting projects in the field of controlling. Her main research interests include sustainability reporting, sustainability and lean management and performance measurement.

## Contributors

**Agnese Alksne** MBA graduate of RISEBA, founder and chairwoman of the board at non-governmental organization corporate social responsibility platform of Latvia, works in the CSR field since 2006 in private and NGO sector. Her field of interests include company sustainability and CSR impact assessments.



**Lina Dagilienė** is a Professor at the Accounting Department in Lithuania at the Kaunas University of Technology. She has been actively exploring issues of sustainability accounting and reporting, social innovation and measurement issues. She is also interested in interdisciplinary dimensions due to accounting science. Other professional activities cover consulting, management and project work.

**Dzineta Dimante** is an Associate Professor in Latvia at the University of Latvia in Riga. Her research is focused mainly on sustainable development, education for sustainable development, socially responsible entrepreneurship and ecosystem services valuation. She has completed Diploma in Economics course at the University of Cambridge, UK, in 1993. As a Fulbright scholar, she has been visiting researcher at Hamline University, USA.

**Anja Ermenc** finished her master's studies at the Faculty of Economics in Slovenia at the University of Ljubljana with a thesis titled '*The Link between Corporate Social Responsibility and Financial Performance*'. She is currently working at a financial advisory company.

**Maarja Gross** is a master's student in Estonia at the University of Tartu specializing in finance and accounting. She also works in public sector as a budgeting specialist.

**Toomas Haldma** is a Professor of Accounting in Estonia at the University of Tartu. He has taught at undergraduate and postgraduate levels in various accounting subjects, primarily management accounting, management control and financial statement analysis. His research interests are in the areas of management accounting, performance measurement and management and management control in business companies and public sector organizations, in which he has published internationally and nationally. He has also served as a member of the supervisory board and a consultant to various Estonian companies and public organizations.

**Monika Klemenčič** is a software consultant in Slovenia at SAOP, Ltd. She holds a master's degree in Accounting and Auditing from the Faculty of Economics, University of Ljubljana. She wrote a master thesis '*Identifying Corporate Social Performance based on Company Annual Report Disclosures—Analysis of Slovenian Companies*'.

**Cezary Kochalski** is an Associate Professor and head of the Department of Controlling, Financial Analysis and Valuation in Poland at the Poznan University of Economics and Business. He is Vice-Rector for Strategy and Development (2012–2016), member of the Editorial Board of Poznan University of Economics and Business Review and author and co-author of 12 books and monographs and over 50 articles.

**Vedran Kojić** is a candidate at the Faculty of Economics and Business in Croatia at the University of Zagreb, where he works as a research and teaching assistant at the Department of Mathematics teaching the courses Mathematics and Mathematics for Business. His field of interests includes applications of mathematical inequalities in economics, geometric programming with applications in economics and optimal control theory.

**Kertu Lääts** is an Associate Professor of Accounting in Estonia at the University of Tartu, where she teaches management accounting, cost management, financial analyses and accounting information systems. Her research interests include sustainability reporting and management accounting practices in Eastern Europe, the influence of information technology on management accounting and performance measurement and management in public and private enterprises.

**Davor Labaš** is an Assistant Professor at the Department of Managerial Economics at the Faculty of Economics and Business in Croatia at the University of Zagreb. He is an author and co-author of over 20 publications and was an active researcher in several international scientific research projects. His research specialization and primary interests include crisis management, strategic crisis preparedness and planning, controllership and organizational resilience.

**Grzegorz Mikołajewicz** is an Assistant Professor in the Department of Controlling, Financial Analysis and Valuation in Poland at the Poznan University of Economics and Business. He is co-author of the award-winning academic textbook on financial analysis and co-author of textbooks in the subject of green controlling and finance. Grzegorz is expert and advisor in privatization projects, valuation, value creation analysis, investment projects analysis, business plans or due diligence assignments, as well as an examiner at the National Chamber of Statutory Auditors.

**Jarosław Nowicki** is an Assistant Professor in the Department of Controlling, Financial Analysis and Valuation in Poland at the Poznan University of Economics and Business. He is author of over 40 publications, co-author of the award-winning academic textbook on financial analysis and co-author of books in the subject of green controlling and finance. Jarosław is expert and advisor in privatization projects, business valuation, value-based management, investment projects analysis, business plans or due diligence assignments, as well as an examiner at the National Chamber of Statutory Auditors.

**Nidžara Osmanagić Bedenik** is a University Professor at the Faculty of Economics and Business in Croatia at the University of Zagreb. She is course coordinator and she is teaching Controlling and Crisis Management courses at undergraduate, graduate, postgraduate and doctoral level at various universities in Croatia and

Bosnia and Herzegovina. She established and is head of postgraduate level of controlling study.

**Renata Paksiová** is an associate professor in the Department of Accountancy and Auditing of Faculty of Economic Informatics in the Slovak Republic at the University of Economics in Bratislava. In her scientific work she predominantly focuses on a theoretical basis of an accountancy and its connection with the contemporary accounting arrangements on a national and multinational level. She explores analysis of available sources of information on enterprises within the area of financial and non-financial information and its potential in the sustainable development-oriented decision-making.

**Petr Petera** is an assistant professor at the Department of Management Accounting in the Czech Republic at the University of Economics in Prague. His research interests include business performance measurement, corporate responsibility, employee motivation, costing and evaluation of investment projects. He held the position of head of controlling department in Machinery Company and his cooperation with practice continues.

**Piotr Ratajczak** is Ph.D. Candidate in the Department of Controlling, Financial Analysis and Valuation in Poland at the Poznan University of Economics and Business, graduate of Poznan University of Economics and Business (major in Capital Investment and Business Financing Strategies), winner of the Best PUEB Graduates Award and Best Ph.D. Candidates Rector's Scholarship (two times) and expert and advisor in enterprise valuation, financial modelling and corporate social performance.

**Adriana Rejc Buhovac** is an Associate Professor of Management at the Faculty of Economics in Slovenia at the University of Ljubljana. Her primary areas of expertise are corporate sustainability, strategic management, and performance measurement and management control. Together with Marc J. Epstein, Ph.D., and Rejc Buhovac she has co-authored *'Making Sustainability Work: Best Practices in Managing and Measuring Corporate Social, Environmental, and Economic Impacts—Second Edition'*.

**Adriana-Mirela Sava** is lecturer in Romania at the Technical University of Cluj-Napoca in the field of economic engineering. Her main areas of interest include marketing, business performance and retailing.

**Ivan Strugar** is a Full Professor at the Department of Informatics at the Faculty of Economics and Business in Croatia at the University of Zagreb. He is teaching information technology courses in business at undergraduate, graduate, postgraduate and doctoral level at the Faculty of Economics and Business and at the various Universities in Croatia, Slovenia and Bosnia and Herzegovina.

**Voicu-Ion Sucală** is Senior lecturer in the UK at the University of Exeter in the field of engineering management. His main areas of interest are organizational studies, critical management studies and industrial management.

**Tamás Tirnitz** is senior lecturer for Management Accounting and Control (B.A. and M.A. level) in Hungary at the Corvinus University of Budapest. He is Graduated translator for Business German, and his main research interests include value reporting, cost accounting, performance measurement and management as well as the taxation regime in Germany.

**Jaroslav Wagner** is head and associated professor at the Department of Management Accounting in the Czech Republic, the University of Economics in Prague. His research, teaching, lecturing and publishing activities focus on performance management and management accounting area, namely integrated performance management and measurement systems, managerial reporting and profitability analysis.