

Analysis of the Information Disclosure of Social Responsibility Accounting of Automobile Manufacturing Enterprises of China

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Abstract—To reveal the present situation of social responsibility accounting information disclosure of China's automobile manufacturing enterprises and promote the entire industry to actively fulfill the social responsibility, the paper made a statistical analysis against 29 social responsibility reports issued by China's automobile industry with the adoption of content analysis method, which mainly focused on two aspects including information disclosure standards and corresponding content, it is found that during the process of fulfilling social responsibility within the automobile industry. There were issues such as lack of initiative and sound information disclosure system, and low credibility. In view of the above existing issues, the following suggestions were put forward, which include improving the awareness of information disclosure, establishing a social responsibility early warning mechanism and integrating the social responsibility into corporate strategy.

Keywords—social responsibility accounting; information disclosure; automobile manufacturing enterprise; countermeasures

I. INTRODUCTION

Cars produce carbon emissions when they are manufactured and used, so people have more requirements for the automotive industry to fulfill their environmental responsibilities. At present, China's auto manufacturers are not mature enough in social responsibility information disclosure, and relevant institutions and industry associations in information disclosure. Since the release of the first auto industry social responsibility report in July 2013, the social responsibility report issued by the company has shown a large growth trend. In 2015, the automobile manufacturing industry listed companies report level has improved, less than eight industry average disclosure rate from 2014 to 2015 of 33%, higher than the average eight industry[1]. Disclosure of social responsibility report shows that automobile manufacturing industry is becoming more and more attention, and began to take the initiative to disclose. But the level of social responsibility accounting information disclosure in our country is still at the lower stage, there is a big gap with the developed countries.

II. CURRENT STATUS OF SOCIAL RESPONSIBILITY ACCOUNTING INFORMATION DISCLOSURE IN AUTOMOBILE MANUFACTURING ENTERPRISES

At present, the release of social responsibility report is the main form of social responsibility accounting information disclosure in the automobile manufacturing industry. Therefore, this paper selects 29 social responsibility reports of the automotive industry in 2016 to analyze the current situation, mainly in the following aspects:

A. Overview of social responsibility accounting information disclosure in automobile manufacturing enterprises

In recent years, the automobile industry has been actively fulfilling its social responsibility and has begun to pay more attention to the disclosure of social responsibility accounting information. The report reached its peak in 2014 and fell back in 2015, but the proportion of social responsibility reports was still not high[2]. It is in the middle of 16 important industries and is in the initial stage of reporting.

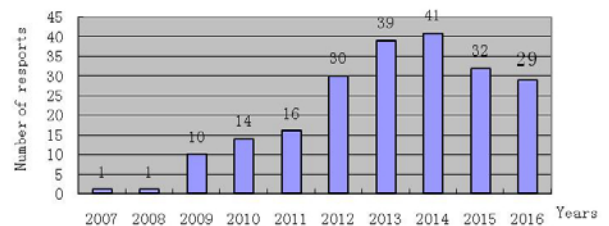


Fig. 1. Automobile industry listed companies social responsibility report disclosure

As can be seen from the above figure, the number of disclosures of social responsibility reports before 2014 has been increasing year by year. The number of reports in 2015 and 2016 has dropped, and the disclosure of social responsibility information has entered the steady growth. At this time, the quality of information disclosure should be paid more attention.

B. Standards for disclosure of social responsibility accounting information of automobile manufacturing enterprises

As the automobile industry has not yet unified preparation of guidelines, resulting in the report has been issued more confusion, whether in content or form. Most of the reports clearly write out the corresponding preparation basis, but there are also reports without preparation basis, with great randomness, leading to the lack of comparability of the report.

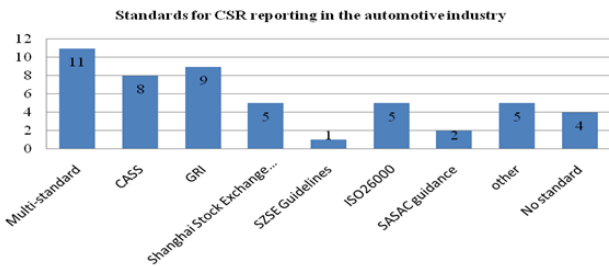


Fig. 2. Standards for CSR reports of automobile manufacturing enterprises

The figure above shows the social responsibility report of 29 auto industry released in 2016 as an example, and analyzes the state of preparation standard of automobile industry in our country. In 29 automobile industry social responsibility report, using multiple standards of disclosure of social responsibility report for November, accounted for 28% [3]; Eight reports are based on the CASS guidelines, nine are produced by GRI, 17% are based on other standards and even 14 percent do not have disclosure standards. In the same automobile industry, different preparation standards are adopted, which reduces the comparability and usefulness of CSR reports.

C. The contents of the information disclosure

1) Different pages

This paper analyzes 29 auto industry CSR reports released in 2016, and finds that 58.62% are within 50 pages, accounting for more than half of the total, mainly including Honda (China), Nissan (China), and Dongfeng Motor, Chongqing Chang'an, Jiangling, Guizhou Guihang, FAW Group, Yutong Bus; 31.03% of the CSR report is between 50-100 pages, mainly including GAC Toyota, JAC, SINOMACH, Geely; Only two copies of more than 100 pages, which are China FAW's 2015 CSR Report and Mitsubishi Corporation's English CSR Report in 2015. There is also an important point to note, the disclosures in the report are different in form, some are accompanied by pictures and tables, and some are only plain text descriptions, which affect the comparability of the length. However, it can be seen that there are great differences in the length of the report on the whole.

2) Different disclosures for stakeholders

By analyzing 29 CSR reports released in 2016, we found that the disclosure contents are different. In disclosure of the responsibility, the choice of disclosure employees responsibility, environmental responsibility and social responsibility of public companies, most for management responsibility, consumers, suppliers and shareholders' responsibility to disclose rate of 65%, the disclosure of the liability and product liability to the creditor at a rate of about

25%, the disclosure of government responsibility for rate is the lowest, only 7%. It can be seen that the disclosure contents and priorities of automobile manufacturing enterprises to stakeholders are different, and there are huge differences in all aspects of responsibility.

III. THE MAIN PROBLEMS EXISTING IN THE SOCIAL RESPONSIBILITY ACCOUNTING INFORMATION DISCLOSURE OF AUTOMOBILE MANUFACTURING ENTERPRISES

A. Poor initiative to disclose social responsibility accounting information

In China, CSR reports have become a tool for some companies to promote their work. First, avoiding sensitive and sensitive issues, 84.6% of CSR reports "only report well, don't report bad" and do not disclose any negative information. Enterprises should aim at sustainable development and meet the interests of stakeholders, not just to maximize economic benefits [4].

According to statistics in blue book of corporate social responsibility (2016), among 29 sample enterprises, only 13 companies disclose social responsibility reports, with a disclosure rate of 44.8%, indicating that more than half of automobile enterprises have not released social responsibility reports. Among the 13 reports in 2016, 38.5 percent were from state-owned enterprises and Central enterprises. There were 4 private enterprises, accounting for 30.77% of the total number of published reports. There were 4 foreign-funded enterprises, accounting for 30.77% of the total number of published reports. It can be seen that the speed of the development of private enterprises to speed up the report. In addition, looking at the official websites of various automobile companies, only 20.69% of the 29 sample enterprises have not set up the column of "social responsibility" on their official websites, this shows that the automobile industry has gradually begun to pay attention to social responsibility, and the concept of corporate social responsibility reporting is strengthening.

TABLE I. PROPORTION OF CSR REPORTS OF DIFFERENT CORPORATE NATURE

Enterprise nature	Number of enterprises		Percentage (%)	
	2016	2015	2016	2015
State-owned enterprises	5	5	38.5	41.7
The private enterprise	4	4	30.8	33.3
The foreign capital enterprise	4	3	30.8	35.0

TABLE II. THE STATUS OF SOCIAL RESPONSIBILITY IN THE OFFICIAL WEBSITE

Enterprise official website	Number of enterprises		Percentage (%)	
	2016	2015	2016	2015
Social responsibility column	23	21	79.3	75.0
CSR report	13	12	44.8	42.8

In 2016, there were 102 listed companies in the auto industry, and more than half of them have not disclosed their social responsibility reports. Considering the security and industry background of corporate financial information, most enterprises are not willing to publicly disclose relevant information, and the nature of enterprises also affects the

disclosure of social responsibility information. Generally speaking, China's automobile manufacturing enterprises' social responsibility information disclosure is at the initial stage.

B. Lack of perfect social responsibility accounting information disclosure system

Due to the lack of a standardized indicator system for social responsibility accounting information disclosure, companies are not clear about the content and way of disclosure. They ignore the quantitative information content mainly through text description and picture description, which makes the enterprises lack of comparability. Currently, the guiding standards for social responsibility reporting mainly include the following: First, the G3 standard of the sustainable development report guidelines; Second, the social responsibility report issued by the stock exchange; The third is the guidance standards of the industry association; Fourth, the corporate social responsibility report[5]. Different guidance standards lead to a large difference in the report, which also makes the form of disclosure more chaotic, for enterprises, it is necessary to establish a sound disclosure system.

From the perspective of social responsibility accounting, the financial department is unable to master comprehensive social responsibility accounting information, because it covers multidisciplinary knowledge, has complex measurement methods, and is difficult to operate, and requires high professional skills of accountants. In addition, due to the large deviation of social responsibility accounting information obtained in different ways, it is impossible to grasp the weight ratio of all kinds of accounting information.

C. Disclosure of social responsibility accounting information is less credible

Social responsibility report is one of the important non-financial comprehensive reports issued by enterprises. At the present stage, social responsibility information is disclosed mainly through written description, and this qualitative method will greatly reduce the credibility of the report. In addition, China has not yet issued audit standards related to CSR reports, so most of the CSR reports of automobile manufacturers are not audited by the third party[6]. In the 29 reports released in 2016, only one company, GAC Toyota, has independent third-party audit opinions, and the other three companies, Nissan China, Toyota motor and Zhejiang Geely, use the form of third-party rating. The other 24 companies (Nissan China issued two reports in 2015 and 2016) did not report independently or carry out third-party rating, which affected the credibility of the report. According to the 2015 KPMG social responsibility survey report, 46% of the top 100 companies in China choose third-party verification. Although only a few of the sample companies enter the top 100, the gap is still large. Therefore, the social responsibility information disclosed by automobile manufacturers is not convincing, which affects the objective authenticity of social responsibility information.

IV. COUNTERMEASURES FOR THE SOCIAL RESPONSIBILITY ACCOUNTING INFORMATION DISCLOSURE OF AUTOMOBILE MANUFACTURING ENTERPRISES

A. Strengthen the disclosure of environmental information

According to the statistics of the Chinese academy of social sciences, it is found that the information disclosure of environmental responsibility is insufficient. Only Hyundai motor has a relatively complete disclosure of social responsibility, and its disclosure rate of environmental indicators is only 54%. Therefore, for the whole industry, low-carbon environmental responsibility should be taken as the primary goal to fulfill social responsibility, and the overall effect of fulfilling environmental responsibility within the industry should be disclosed by combining quantitative and qualitative methods[7].

B. Standardizing social responsibility accounting information disclosure standards

According to the analysis, the disclosure of social responsibility information adopts multi-standard or non-standard disclosure methods, which greatly reduces the comparability of information. Meanwhile, according to Zhong Hongwu's survey, 79.2% of the respondents believe that the most effective measure to promote the implementation of CSR information is to improve relevant laws and regulations. Therefore, it is necessary to perfect the standards of social responsibility information disclosure. This paper argues that the Chinese academy of social sciences published "China corporate social responsibility report writing guidelines (CASS - CSR3.0) combined with its own national conditions and integrated into the international authoritative standard of social responsibility, and is the right choice of disclosure standards, should strengthen the guide to 3.0 in the industry status, achieve the unity of the disclosure standards in the industry.

C. Strengthen industry supervision

Internationally, the main supervision and examination institutions are accounting firms, certification bodies and specialized consulting institutions, while in China; the supervision is mainly conducted by industry associations and experts, accounting firms account for a small proportion. Therefore, in order to ensure the integrity of corporate social responsibility accounting information, the industry association should develop relevant standards to supervise the disclosure and play a role in promoting and supervising. At the same time, industry associations can also formulate corresponding reward and punishment mechanisms to reward enterprises with good performance. On the basis of improving relevant systems of the company, strengthening the supervision within the industry will not only affect the corporate image but also affect the cooperative relationship between enterprises, so as to promote the level of social responsibility information disclosure in the whole industry.

V. CONCLUSION

Through the analysis, it is found that the automobile industry has questions as follows:

- Weak sense of initiative to disclose social responsibility accounting information

- Lack of perfect social responsibility accounting information disclosure system
- Low credibility

Combined with the problems found in information disclosure, the following enlightenment for the industry is helpful to improve the quality of social responsibility accounting information disclosure in the whole industry:

- Strengthen the disclosure of environmental information
- Standardizing social responsibility accounting information disclosure standards
- Strengthen industry supervision

In view of the problem, from three aspects of consciousness, standards and regulations to ensure the social responsibility accounting information disclosure norms. At the same time, the early-warning and handling mechanism of social responsibility should be established in advance to combine social responsibility with enterprise strategy, so as to escort the development of enterprises.

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