

Corporate Social Responsibility Practices in Bangladesh: Evidence from Engineering and Pharmaceutical & Chemical Industry

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ABSTRACT: To ensure the existence in the ever growing competitive business environment, CSR should be a continuing commitment of every business organization to recognize them as environmentally and socially responsible. This paper focuses on identifying the extent of corporate social responsibility Disclosures (hereafter CSRD) practices by the companies operating in Bangladesh. An effort has also been exerted to determine whether the practice varies with respect to industries, companies within an industry and also in terms of CSR categories. To meet these objectives 28 companies under Engineering Industry and 22 companies under Pharmaceutical & Chemical Industry have been taken covering the period 2010 to 2014. Here, data has been collected from the annual reports of the companies under consideration. Content analysis has been conducted based on a Disclosure Checklist developed with the help of previous relevant literatures and also by taking the specific nature of the mentioned industries into account. To draw conclusion, Disclosure Index Scores (DIS) have been calculated by using the outcomes of content analysis. Up to 2013 an increasing trend in CSRD practices has been noticed in case of both industries but in 2014 it remained same as that of 2013. Results show that companies under both industries disclose more information about products and services they are dealing with. However, Disclosure Index Scores with respect to environmental disclosure of companies under Engineering and Pharmaceutical & Chemical Industry are 0.05 and 0.18 respectively which are the least out of all scores. This indicates companies of Bangladesh are still not that much concern in devising policies about how to deal with the environment within which they are operating. DIS substantiate that BSRM Steel (77%) and Singer Bangladesh (61%) of Engineering Industry as well as Glaxo SmithKline (69%) and Ibn Sina (66%) are performing best in this ground.

KEYWORDS: Corporate Social Responsibility, Engineering Industry, Pharmaceutical & Chemical Industry.

I. INTRODUCTION

Because of the presence of strong institutions, standards, and appeal systems Corporate Social Responsibility (CSR) was believed to be a western phenomenon. But with the unprecedented development of new tools, standards and methodologies in the field of business administration, now CSR is also a continuing commitment taken by business organizations of developing countries like Bangladesh to strengthen their ethical concepts and social involvement in the society and to contribute in the economic development and to improve the quality of the workforce and also of the goods and services provided by them. Having become a buzzword, CSR is more often misunderstood as giving back to the society and considered to be synonymous with philanthropy. Drawing a parallel with Publicity and Public Relations it is argued that philanthropy could earn publicity but CSR, like Public Relations is a long term investment with assured returns (Porag, 2014) [1]. It is believed that CSR constitutes a series of initiatives taken by a company in its enlightened self-interest. However, in practical CSR is seen as more than a collection of discrete practices and occasional gestures or initiatives motivated by marketing, public relations or other business benefits. It is viewed as a comprehensive set of policies, practices and programs that are integrated throughout business operations and decision-making processes to ensure an open and transparent business practices. By incorporating CSR policies, businesses embrace their responsibility towards the environment, consumers, employees, shareholders, suppliers, communities and the other members of the community, and contribute to their social obligations by promoting and encouraging community development and eliminating the practices that harm it. Though involves cost CSR activities is not a threat to achievement of economic goals of a corporation; rather it is an opportunity and can be the basis of economic development of firms in terms of competitive advantage in global market (Belal, 2001) [2]. Apart from the shareholders, business firms have responsibility to broad spectrum of society and that includes customers, employers, suppliers, community, government etc. CSR involves a business firm identifying its stakeholder groups and incorporating their needs and values within the strategic and day-to-day

decision making process (Uddin et al. 1999) [3]. Since the companies operate within the society, they have the responsibility toward the society and the extent of this responsibility should be determined by the nature of the industry under which they are operating. Consistent with these explanations this research work is designed to identify the recent trends in CSR practices by the companies operating under Engineering and Pharmaceuticals & Chemical Industry in Bangladesh.

II. LITERATURE REVIEW

A considerable number of theoretical and empirical research on Corporate Social Responsibility Disclosure have been undertaken throughout the world due to the continuing emphasis on green awareness (Basalamah and Jermias, 2005) [4]. Some of the research works investigated the factors affecting CSR practices of business organizations throughout the world and some other works identified the extent of CSR practices. Das, Dixon and Michael (2015) [5] investigated the Corporate Social Responsibility (CSR) reporting practices by the listed banking companies of Bangladesh during the period 2007-2011. Using content analysis the study found that CSR practices by the selected banks has increased in 2011 by 17.85% with respect to 2007 (59.02%). The results showed that firm size, board size, ownership structure, and independent non-executive director in the board have significant positive impact on CSR disclosure practices, while it is negatively associated with firms' profitability and the age of the company. Researchers observed that health (31.69%), humanitarian and disaster relief (21.92%), and education (15.35%) getting major shares of CSR expenditure of banks; while art and culture (9.37%) and sports (9.06%) also were significantly large recipient sectors. Their study also revealed that all listed banks practices social responsibility in an unstructured manner and thus need to adopt a comprehensive format for CSR reporting.

Lipunga (2013) [6] studied the corporate social responsibility reporting practices in the annual reports of commercial banks of Malawi. The study revealed that all the sampled banks made CSR disclosures but in a varying degree. It is found that sampled commercial banks relatively placed more emphasis on community involvement and least on environmental related activities. The overall disclosure level was very low (0.3) meaning that less than one third of the items on the CSR disclosure framework were disclosed.

Using legitimacy theory, Nurhayati, Taylor and Tower (2015) [7] investigated the extent of social and environmental disclosure (SED) of Indian textile firms and the factors that explain such disclosure practices. This study reveals a relatively low extent of 13.57% of SED in annual reports of Indian textile firms. The results show that firm size, international brand, audit committee independence, CEO duality, profitability, international certification obtained and year of reporting are statistically significant factors in explaining the variation of SED. On an average, compared with social category, Indian textile listed firms communicate more environmental information in their annual reports. Analysis on the social category reveals the most and the least disclosed sub-categories being 'labour practices and decent work' and 'human rights' with the mean of about 19% and less than 1%, respectively.

Kansal, Joshi and Batra (2014) [8] studied the relationship between a number of financial and non-financial corporate characteristics and the level of corporate social responsibility disclosures (CSR D) based on an extensive sample of top Indian companies. The study found that overall disclosure by the selected companies is low. The results highlighted that a firm's industry affiliation and profitability significantly influence its CSR D. Corporate size and industry category are found to be correlated with the corporate social disclosures of the companies. Again the corporate reputation as recognized through awards and social ratings has also been observed to be a significant factor that influences the social disclosures made by the Indian companies. However, the study could not confirm any association between CSR D and risk.

The study conducted by Naser and Hassan (2013) [9] to measure the extent of corporate social responsibility (CSR) and the determinates by non-financial companies listed on Abu Dhabi Securities Exchange found that the extent of disclosure ranged from as low as 0 up to 0.89 which meant that the annual reports of some companies contained no social responsibility information, whereas the annual reports of some companies contained 89% of the maximum disclosure score. The findings revealed that the average level of CSR disclosure by companies listed on Abu Dhabi Securities Exchange is only 34 % signaling that such disclosure is still not of a primary concern to these companies. This study also concluded that corporate size, industry and profitability have significant impact on CSR disclosure.

Through an exploratory study Rouf (2011) [10] investigated the extent and nature of corporate social responsibility disclosure in corporate annual reports of listed companies in Bangladesh in the year 2007. His study found that corporate social responsibility disclosure has a positive association with proportion of Independent Directors, Board Leadership Structure, Board Audit Committee and Percentage Return on Equity.

On the other hand, a negative relationship between firms' size and Corporate Social Responsibility Disclosures has been found.

Mishra and Suar (2010) [11] examined whether corporate social responsibility (CSR) towards primary stakeholders influences the financial and the non-financial performance of Indian firms. Findings indicated firms listed in Indian Stock Exchange are more responsible toward corporate social responsibility practices than the non-stock-listed firms. Stock-listing, ownership, and firm size, a favorable perception of managers towards CSR is found to be associated with increase in financial and non-financial performance of the firms. The study revealed that listed firms whose performance is monitored regularly by multiple stakeholders display a higher level of CSR compared to the non-listed firms. The study also concluded that an increase in the aggregate CSR boosts firm performance due to two reasons. First, the CSR-induced revenue can increase from enhanced sales and prices/margins. Second, the CSR-induced cost decrease can result from tax concessions, reductions of duties by the government to promote CSR activities, efficiency gains from environment-friendly technologies, and reduced cost of capital.

The study Ali and Rizwan (2013) [12] contributed to the literature on Corporate Social and Environmental Disclosure (CSED) in the developing countries by exploring various influential factors for CSED and grouping them into three categories: normative, interest, and company groups. The researcher argued here that institutional theory is more sophisticated than legitimacy theory and stakeholder theory to explain CSED practices in the developing countries. The researcher argued that companies are exposed to different institutions at the same time and these institutions can exert normative, coercive pressure, and mimetic pressure on the firm to adopt particular CSED practices in the institutional context. This study concluded that the more the intensity of institutional pressure, the more quickly the particular practice of CSED will be adopted by the firm to look similar to other firms operating in the institutional environment.

By considering the guidelines for CSR of Islamic financial institutions as prescribed by Farook (2007) [13] in the light of Islamic Shariah, Samina (2012) [14] investigated whether the Islamic banks operating in Bangladesh are practicing corporate social responsibilities (CSR) and disclosing the same in their annual reports. Her study found that 6 full-fledged Islamic banks of Bangladesh are practicing corporate social responsibilities. It is found that the total CSR expenditure of this six Islamic banks (except one foreign owned Islamic bank) is 24.29% of the total CSR expenditure of all commercial banks in 2009 (Bangladesh Bank Report on CSR, 2010). This study also found a strong positive correlation between the amount CSR expenditure and the sample Islamic banks' deposit and investment amount and the profit.

Chek, Bt Mohamad, Yunus & Norwani (2013) [15] examined the level of CSR disclosure in the annual reports of the companies under consumer products and plantation industries, Malaysia. Using content analysis and Pearson correlation this study found that although many companies disclosed their CSR activities, the level of disclosures is still low. The findings revealed that size of the companies was correlated with the level of disclosure while leverage and return on assets showed no impact on disclosure practices. The study summarized that the higher the income of a company, the more it practices CSR activities.

Reverte (2009) [16] analyzed whether a number of firm and industry characteristics, as well as media exposure, are potential determinants of CSR disclosure practices by Spanish listed firms. Findings of this study evidence that firms with higher CSR ratings present a statistically significant larger size and a higher media exposure, and belong to more environmentally sensitive industries, as compared to firms with lower CSR ratings. However, neither profitability nor leverage seems to explain the differences in CSR disclosure practices of Spanish listed firms. The most influential variable for explaining firms' variation in CSR ratings is media exposure, followed by size and industry. Therefore, this research work concluded that the legitimacy theory, as captured by those variables related to public or social visibility, is the most relevant theory for explaining CSR disclosure practices of Spanish listed firms.

Farouk and Hassan (2013) [17] conducted an empirical analysis of the financial and non-financial determinants of Corporate Social Responsibilities (CSR) by taking into account the listed Deposit Money Banks (DMBs) in Nigeria for the period of 2005-2011. The findings obtained through multiple regression technique reveal that dividend paid, institutional ownership, firm growth, and leverage have a positive and significant influence on the CSR practice of the sample banks at 5% significance level, while the economic profit and firm size have the same at 10% level of significance. Therefore these results implied that banks that are making high economic profit, large in size, with a consistent growth and paying dividend regularly while in addition having a high number of institutional ownership and highly levered are more likely to embark on CSR.

Masud and Hossain (2012) [18] examined CSR reporting practices of selected Banks in Bangladesh in consideration of finance act 2010 and 2011. The study was based on annual report of 2010 of listed Banks. The study revealed that 100% Banks reported their CSR activities however it is a matter of concern that less than 60% sampled banks participated in prescribe CSR areas according to finance act. The study concluded corporate social responsibility reporting practices by private commercial banks is developing day by day. Though they were trying to follow the rules of finance act, their participation is not satisfactory in all areas.

Another research by Mustaffa and Tamoi (2006) [19], examined the social and environmental disclosures of thirty seven construction companies listed on Malaysian Stock Exchange from 1998 to 2002. The main objective of their research was to investigate the extent to which Malaysian construction companies disclosed social and environmental information and to find out whether the amount of disclosure had relationship with the company's characteristics; size, profitability, leverage, and audit firm. The result provides strong evidence that total corporate social disclosure is positively related to companies' size and profitability. Trend analysis of data further confirms that construction companies especially company whose majority owned by 'corporate owner' in Malaysia are aware of their social responsibility but still at low level. Finally the result of the study rejects the assumption that total CSR disclosure is related to audit firm and reveals that there exists no strong evidence to support the relationship between total disclosure and leverage.

Ho and Taylor (2007) [20] examined the influence of corporate characteristics which includes size, profitability, industry membership, leverage and liquidity on triple bottom line reporting and found empirically that corporate size is significantly and positively associated with triple bottom line disclosure while corporate profitability, liquidity and industry membership is significantly and negatively associated with triple bottom line disclosure. Whereas there is no significant relationship between leverage and triple bottom line reporting.

Idowu and Towler (2004) [21] found that some UK companies issue detaches reports for their CSR activities and others allocate a part of their annual reports. They also mentioned that UK companies mainly disclose CSR information about the environment, the community, marketplace, and the workplace, and it is still in its infancy level. Moreover, Silberhorn and Warren (2007) [22] explored that German and British companies presented CSR as a wide-ranging business strategy, erasing mainly from performance considerations and stakeholder pressure and there are different starting points for CSR in Germany and UK.

The vast amount of literature devoted to CSR throughout the world is a testimony to the importance of the concept over time. The determinants of CSR as a research area are receiving increasing attention. The relationship of CSR as determined by financial attributes (size, profitability and the leverage of the firms) has been widely investigated and reported in the management and social sciences literature in developed countries (Haniffa & Cooke, 2002) [23]. In South Asian countries in general, and in Bangladesh in particular, though a good number of research has been conducted by the researchers covering companies under financial sector, non-financial sector hasn't get significant attention yet. To fill up this research gap this study has the objective to make a comparative analysis between the companies under Engineering and Pharmaceutical industry with respect the nature and extent of corporate social responsibilities practices.

III. METHODOLOGY

RESEARCH DESIGN

This study covers 119 firm-year observations of 28 companies under Engineering Industry and 103 firm-year observations of 22 companies under Pharmaceutical & Chemical Industry covering the period 2010 to 2014 (Appendix B). Here, companies under considerations have been ranked and selected on the basis of the availability of annual reports during the period 2010-2014. To meet the objectives of this study, data has been collected from secondary sources mainly from annual reports of the selected companies. For this research work purpose, a CSR Disclosure Checklist has been developed by considering previous literature as well by taking the nature of the selected industries into account. Here it is to mention that there exists no specific guideline about the nature and number of items to be included in the mentioned index. However, the index (Appendix A) so constructed contain a total of 35 items having 5 subheads named Community Involvement (6), Environmental Disclosure(7), Employee Information (12), Product and Service Information(6) and Other Social Responsibility Disclosure(4). Using this checklist, content analysis has been conducted at the first instance by examining the presence (1) or absence (0) of selected items on the annual reports and then the outcome of content analysis has been used to calculate the CSR Disclosure Index Score (DIS) which is consistent with the prior studies by Wallace 1988 [24]; Wallace et al. 1994 [25]; Leventis and Weetman 2004 [26]; Barako et al. 2006 [27] and Ghazali and Weetman 2006 [28] and Iskander 2008 [29]. Disclosure Index Score has been calculated from three perspective by using the following mathematical expressions:

➤ For year wise DIS:

$$Index (Year) = \sum_{i=company} X_i / (n * Y)$$

Where,

X_i = Number of items actually disclosed by i^{th} company in that year;

n = Number of items in the index;

Y = Number of companies considered in that year.

➤ For category wise DIS:

$$Index (Category) = \sum_{i=company} \sum_{j=year} X_{ij} / (n \sum_{j=year} Y_j)$$

Where,

X_{ij} = Number of items disclosed by i^{th} company in j^{th} year;

Y_j = Number of companies in j^{th} year;

n = Number of items in the category.

➤ For company wise DIS:

$$Index (Company) = \sum_{j=year} X_j / (n * Y)$$

Where,

X_j = No of items actually disclosed by the company in j^{th} year;

n = Number of items in the index;

Y = Number of year(s) considered for the company.

DEFINITION OF THE CATEGORIES

Study conducted by Tschopp, Wells & Barney (2011) [30] shows that companies generally disclose social, environmental, sustainability, health and philanthropy related information in their report. For a report to be classified as satisfying CSR standards it should include information on sustainable development, i.e. environmental, health and safety, and social reporting (Charlas, 2012) [31]. By taking these definitional analysis and the nature of industry under which companies are operating, the following five aspects of Corporate Social Responsibility have been considered for the research purpose.

- I. Community Involvement
- II. Environmental Disclosure
- III. Employee Information
- IV. Product and Service Information
- V. Other Social Responsibility Disclosure

COMMUNITY INVOLVEMENT

Community involvement is the process of engaging in dialogue and collaboration with community members. Under corporate social responsibility, community involvement measures the company's support toward the members of the community in which it operates its business activities.

To measure community involvement by business organization we consider the following issues-

- i. Disclosure on charitable donations and subscriptions
- ii. Sponsoring sporting and recreational projects, support for the arts & culture
- iii. Donations to PM's Relief fund
- iv. Support for education (including any scholarship program)
- v. Support for public health
- vi. Participation in governmental social campaigns

ENVIRONMENTAL DISCLOSURE

Every organization has to function within the macroeconomic environment under which they are operating. The operations undertaken by an organization might affect the environment negatively. So companies should have appropriate policies to preserve the environment. In our analysis we consider the following items to determine the concern of business organizations to protect their environment:

- i. Environmental Policies
- ii. Compliance with laws regarding environment protection
- iii. Pollution control (effluent treatment plan, dust control)
- iv. Prevention or repair of environmental damage (e.g., Tree plantation)
- v. Conservation of natural resources and recycling activities (e.g., Water treatment)
- vi. Support for public/private action designed to protect the environment
- vii. Awards for environmental protection/performance

EMPLOYEE INFORMATION

"Companies that invest in their employees' professional and personal development will gain competitive edge over their rivals and a more committed workforce" (Mike Jeram, National Secretary of Business and the Environment, Unison). By taking this statement into account the following items have been included under this category:

- i. Number of employees or human resources or workers
- ii. Employee welfare (e.g., canteen subsidy, medical expense, games, sports & picnic, merit scholarship, cultural & ceremonial expense, death compensation, uniform & Liveries etc.)
- iii. Information on the firm's emphasis on employee education and training
- iv. Number of employees trained
- v. Amount spent on employee training
- vi. Contributory provident fund scheme
- vii. Provision for gratuity for the company's permanent employees
- viii. Group term insurance scheme for the company's permanent employees
- ix. The company makes regular allocation (5%) to workers profit participation fund and welfare fund
- x. Workers' occupational health and safety
- xi. Company's policy on child labor
- xii. Factory workers' welfare and benefits (e.g., canteen subsidy, medical expense, games, sports & picnic, merit scholarship, cultural & ceremonial expense, death compensation, uniform & Liveries etc.)

PRODUCT AND SERVICE INFORMATION

The main motive of a commercial organization should be to produce such type of products or to provide such type of services that will fulfill the demand of customers. To identify the desired products or services and to develop that product or service, research and development activities are required. For this, proper attention should be given to research and development expenditure. To measure the degree of product and service information disclosure we consider the following items-

- i. Nature of business and types of product produced
- ii. Information on Product development and research (Research & Development Expenditure)
- iii. Information on product quality and safety
- iv. Discussion of marketing network
- v. Information on the company's focus on customer service and satisfaction
- vi. Disclosure of consumer or product safety practices

OTHER SOCIAL RESPONSIBILITY DISCLOSURE

Under this other social responsibility disclosure category, we consider the following items-

- i. Information on fair business practices (e.g., employment and advancement of women, minorities, and other interest groups)
- ii. Expenditure on energy (fuel, electricity etc.)
- iii. Disclosure on the total amount contributed to the national exchequer (in the forms of income tax, VAT, import duty, development surcharge and other indirect taxes and duties)
- iv. Existence of a code of business conduct and ethics/core values

IV. FINDING & ANALYSIS

Year	CSR Disclosures Index	
	Engineering	Pharmaceuticals & Chemicals
2010	37%	36%
2011	38%	39%
2012	40%	40%
2013	42%	46%
2014	42%	46%
Average Index	40%	41%

The table 1 shows the trend of Corporate Social Responsibility (CSR) disclosures by engineering and pharmaceutical industry. In case of engineering industry the CSR Disclosures index in 2010 was 37% whereas it was 36% in case of pharmaceutical & Chemical Industry. Interestingly in 2012 the CSR Disclosure Index of both industry was 40%. Though the practice by both industries shows an increasing pattern during 2010 to 2014 but the growth stops in 2014. And therefore the disclosure index remain same in 2014 as that of 2013. From this it can be concluded that though companies under both industries are trying to give increased emphasis on disclosing more information relevant to corporate social responsibility but still the practice is below 50%. It does mean companies should be more concerned about devising policies about it. Product and Service Disclosure Index of Engineering industry and pharmaceutical industry during the period 2010-2014 was 63% and 59% respectively (Table 2). These outcomes substantiate the concerns of the companies under mentioned industries for generating and maintaining customer satisfaction by disclosing more information about product quality and safety, product development and research and so on. Again, the results also reveal that companies under engineering industry is more concerned about their employees and about the community within which they are operating than those of pharmaceutical industry. And thus disclosed more information relevant to employee and community involvement. The disclosure index of engineering industry on employee information and community involvement was 59% and 53% respectively whereas it was 31% and 27% respectively in case of pharmaceutical and chemical industry. These reflect that engineering industry is more committed to ensure employee welfare and the welfare of the community within which they are conducting their business activities. Table 2 reveals that both industries are giving least emphasis on disclosing information about how they are affecting the environment and about the strategies they are devising to protect the environment. The environmental disclosure index is 5% and 18% respectively. These figures signal that companies under both industries are not that worried about their surroundings and thus might affect their business negatively in the coming future as without restoring environment it would not be possible for a single entity to survive as environmental concern and sustainable development is a key pillar of

	Engineering	Pharmaceuticals & Chemicals
<i>I. Community Involvement</i>	53%	27%
<i>II. Environmental Disclosure</i>	5%	18%
<i>III. Employee Information</i>	59%	31%
<i>IV. Product and Service Information</i>	63%	54%
<i>V. Other Social Responsibility Disclosure</i>	24%	42%

the corporate social responsibility.

Engineering Industry		Pharmaceuticals & Chemicals	
Company	Index	Company	Index
Aftab Automobiles	33%	Ambee Pharma	26%
Aziz Pipes	18%	Beximco Pharma	55%
Olympic Industries	48%	Glaxo SmithKline	69%
Bangladesh Lamps	31%	ACI Limited.	41%
Eastern Cables	34%	Renata Ltd.	44%
Monno Stafflers	30%	Reckitt Benckiser(Bd.)Ltd.	29%
Singer Bangladesh	61%	Pharma Aids	32%
Atlas Bangladesh	30%	Kohinoor Chemicals	39%
BD.Autocars	41%	The Ibn Sina	66%
Quasem Drycells	47%	Beximco Synthetics	22%
Renwick Jajneswar	41%	Libra Infusions Limited	56%
National Tubes	59%	Orion Infusion	48%
Bd.Thai Aluminium	29%	Square Pharmaceuticals Ltd.	59%
National Polymer	48%	Imam Button	18%
Anwar Galvanizing	20%	Keya Cosmetics	47%
Kay & Que	46%	ACI Formulations Ltd.	32%
Rangpur Foundry	47%	Marico Bangladesh Ltd.	38%
S. Alam Cold Rolled Steels Ltd.	34%	Beacon Pharma	32%
Golden Son	42%	Active Pharma	37%
BSRM Steel	77%	Salvo Chemicals	21%
Navana CNG	26%	Central Pharmaceuticals	14%
Deshbandhu Polymer	34%	Far Chemical Industries	31%
GPH Ispat	52%		
Bengal Windsor Thermoplastics	29%		
Appollo Ispat Complex Limited	54%		
Shurwid Industries Limited	23%		
Ratanpur Steel Re-Rolling	37%		

Western Marine Shipyard	51%		
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Table 3 represents corporate social responsibility index scores of the companies operating under engineering and pharmaceuticals & chemical industries. CSR Index score explains that companies named BSRM Steel (77%), Singer Bangladesh (61%), National Tubes (59%) and Appollo Ispat Complex Limited (54%) under engineering industry are giving more emphasis on CSR activities as they are disclosing more CSR relevant information than those of other companies under the same industry. This is also true for Glaxo SmithKline (69%), Ibn Sina (66%), Square Pharmaceuticals Ltd. (59%), Libra Infusions Limited (56%) and Beximco Pharma (55%) of Pharmaceutical & Chemical Industry. On the other hand, results substantiate that Anwar Galvanizing (20%), Shurwid Industries Limited (23%), Navana CNG (26%) of Engineering Industry and Central Pharmaceuticals (18%), Imam Button (14%), Salvo Chemicals (21%), Ambee Pharma (26%) of Pharmaceuticals & Chemical Industry are least concerned about CSR activities. From table 3 it can be stated that all companies under both industries are practicing CSR but the extent of practice by most of the companies ranges from 30% to 50%.

V. Conclusion

Although the country is moving towards a free market economy neither government nor private initiatives have been sufficient to promote good corporate governance leading to an acceptable level of corporate social responsibility. As a member of the global economy, Bangladesh needs to give more emphasis on devising policies and regulations to make business organizations environmentally and socially responsible. This study designed to analyze the current practice of CSR by the companies operating in Bangladesh. Disclosure Index Scores derived on the basis of the outcome of content analysis reveal that all companies under Engineering and Pharmaceutical & Chemical Industry are practicing corporate social responsibilities though the degree varies. It is found on an average the companies under Pharmaceutical & Chemical Industry (41%) is disclosing more CSR relevant information than those of Engineering Industry (40%). Again, all companies are disclosing much information relevant to products and services and employees. But least on environment which reveals their lack of concern about how their activities are affecting the surroundings. CSR Index scores show that BSRM Steel, Singer Bangladesh, National Tubes of engineering industry and Glaxo SmithKline, Ibn Sina, Square Pharmaceuticals Ltd., Libra Infusions Limited and Beximco Pharma of Pharmaceutical & Chemical Industry are undertaking more CSR activities and thus disclosing the same. On the other hand, opposite is true for Anwar Galvanizing, Shurwid Industries Limited, Navana CNG of Engineering Industry and Central Pharmaceuticals, Imam Button, Salvo Chemicals of Pharmaceuticals & Chemical Industry.

VI. Limitations & Further Research

The findings of this research work are subject to several limitations. First, this study doesn't incorporate banking, Fuel & Power, Food & Allied Products, Jute, Paper & Printing, Services & Real Estate, Cement, Information Technology, Ceramic and other industry. These two industries may not be sufficient to make an overall assessment of CSR practice. Second, while developing Disclosure Index information related to Community Involvement, Environment, Workforce, Product and Service is considered and therefore the disclosure checklist may not be a comprehensive one. Third, this work doesn't consider any relevant rules and regulations that generally influence organization to involve in CSR activities. Hence, future research may be conducted in the same context incorporating companies under other industries. Again, research works can be done by taking changes in policies (if any) into account to measure the impact of those policy changes on the CSR disclosure practice. Again by considering time period before 2008 and after 2008 further research can be done to reflect whether the recent global financial crisis of 2008 does have any impact on the CSR practice of Bangladesh.

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APPENDIX A	
CSR Disclosure Checklist	
Disclosure Item	
<i>I. Community Involvement</i>	
1	Disclosure on charitable donations and subscriptions
2	Sponsoring sporting and recreational projects, support for the arts & culture
3	Donations to PM's Relief fund
4	Support for education (including any scholarship program)
5	Support for public health
6	Participation in governmental social campaigns
<i>II. Environmental Disclosure</i>	
7	Environmental Policies
8	Compliance with laws regarding environment protection
9	Pollution control (effluent treatment plan, dust control)
10	Prevention or repair of environmental damage (e.g., Tree plantation)
11	Conservation of natural resources and recycling activities (e.g., Water treatment)
12	Support for public/private action designed to protect the environment
13	Awards for environmental protection/performance

III. Employee Information	
14	Number of employees or human resources or workers
15	Employee welfare (e.g., canteen subsidy, medical expense, games, sports & picnic, merit scholarship, cultural & ceremonial expense, death compensation, uniform & Liveries etc.)
16	Information on the firm's emphasis on employee education and training
17	Number of employees trained
18	Amount spent on employee training
19	Contributory provident fund scheme
20	Provision for gratuity for the company's permanent employees
21	Group term insurance scheme for the company's permanent employees
22	The company makes regular allocation (5%) to workers profit participation fund and welfare fund
23	Workers' occupational health and safety
24	Company's policy on child labor
25	Factory workers' welfare and benefits (e.g., canteen subsidy, medical expense, games, sports & picnic, merit scholarship, cultural & ceremonial expense, death compensation, uniform & Liveries etc.)
IV. Product and Service Information	
26	Nature of business and types of product produced
27	Information on Product development and research (Research & Development Expenditure)
28	Information on product quality and safety
29	Discussion of marketing network
30	Information on the company's focus on customer service and satisfaction
31	Disclosure of consumer or product safety practices
V. Other Social Responsibility Disclosure	
32	Information on fair business practices (e.g., employment and advancement of women, minorities, and other interest groups)
33	Expenditure on energy (fuel, electricity etc.)
34	Disclosure on the total amount contributed to the national exchequer (in the forms of income tax, VAT, import duty, development surcharge and other indirect taxes and duties)
35	Existence of a code of business conduct and ethics/core values

APPENDIX B	
List of Sample Companies	
Engineering Industry	Pharmaceutical & Chemical Industry
Aftab Automobiles	Ambee Pharma
Aziz Pipes	Beximco Pharma
Olympic Industries	Glaxo SmithKline
Bangladesh Lamps	ACI Limited.
Eastern Cables	Renata Ltd.
Monno Stafflers	Reckitt Benckiser(Bd.)Ltd.
Singer Bangladesh	Pharma Aids
Atlas Bangladesh	Kohinoor Chemicals
BD.Autocars	The Ibn Sina
Quasem Drycells	Beximco Synthetics
Renwick Jaineswar	Libra Infusions Limited
National Tubes	Orion Infusion
Bd.Thai Aluminium	Square Pharmaceuticals Ltd.
National Polymer	Imam Button
Anwar Galvanizing	Keya Cosmetics
Kay & Que	ACI Formulations Ltd.
Rangpur Foundry	Marico Bangladesh Ltd.
S. Alam Cold Rolled Steels Ltd.	Beacon Pharma
Golden Son	Active Pharma
BSRM Steel	Salvo Chemicals
Navana CNG	Central Pharmaceuticals
Deshbandhu Polymer	Far Chemical Industries
GPH Ispat	
Bengal Windsor Thermoplastics	
Appollo Ispat Complex Limited	
Shurwid Industries Limited	
Ratanpur Steel Re-Rolling	
Western Marine Shipyard	