MOTIVATION OF CORPORATE MANAGERS FOR SOCIAL RESPONSIBILITY-RELATED GOVERNANCE DISCLOSURE: EVIDENCE FROM BANGLADESH.

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ABSTRACT

This paper aims to describe and explain the disclosure practices of social and environment-related governance information of organisations operating within a developing country. Insights into corporate motivations were explored through conducting in-depth personal interviews with senior corporate executives of the textile and garments companies of Bangladesh. The results indicate that corporate managers of local supply companies provide CSR-related governance information primarily to conform with the global community's expectations and to satisfy the powerful stakeholders' demands for governance information. However, this paper concludes that the governance information disclosures by local supply companies are more about maintaining support from multinational buying companies than aiming at securing legitimacy. The paper also finds that powerful stakeholders, such as multinational buying companies, receive most of their required governance information through special purpose reports such as social audit reports rather than corporate annual reports. This paper is the first known paper to investigate managerial motivation for CSR-related governance information disclosure practices within the social and environmental accounting context.

Keywords: corporate social responsibility (CSR), textile and garments, governance, disclosures, stakeholders, Bangladesh.

1. Introduction

In light of the many corporate scandals, social and environmental commitment in our society has increased considerably, which puts pressure on companies to communicate information related to corporate social responsibility (CSR) (Arvidsson, 2010). Companies must integrate their business strategies with CSR in order to achieve sustainable growth; CSR activities are no longer considered traditional philanthropic work (The Daily Star, March 16, 2012). Over the past two decades, the pressure on businesses to become accountable and perform both a social and environmental role has increased dramatically (Roy, 2011). However, major stakeholders are not happy with only CSR-related information disclosure which is, to some extent cosmetic in fashion (through glossy reports and websites) and which is disclosed as an immediate response (consistent with legitimacy theory) to the pressure from powerful stakeholders (Kamal & Deegan, 2013; Belal & Roberts, 2010); they want companies to incorporate the CSR issues into their corporate governance structure/processes.

Over the years, stakeholders' expectation have changed towards more substantive disclosures[1] of corporate governance policies and practices, and they are now demanding that corporations need to disclose information about their corporate governance practices related to social and environmental issues (Kamal & Deegan, 2013). Stakeholders need to know how their rights are being respected and how an organisation addresses CSR issues within the corporate governance systems (PwC, 2011). For example, Wal-Mart (US-based global apparel brand) is a powerful stakeholder of the textile and garments companies of Bangladesh. Since they have been sourcing many of their products for years from Bangladesh, they have an interest in the governance polices associated with the health and safety and working conditions of the supply factories in Bangladesh. Therefore, stakeholders such as Wal-Mart are interested in the governance polices, as they are also exposed to the risk associated with poor health and safety conditions, including fire safety, payments of minimum wages or child labour-related issues. A recent and most devastating fire accident in the history of the garments industry of Bangladesh caused the death of 112 workers on the 24th of November, 2012, in Tazreen Fashions Limited in Dhaka; this factory is one where Wal-Mart sources their products from (Manik & Yardley, 2012). After the devastating fire Wal-Mart has been strongly criticised by Western media, NGOs and labour rights groups (Eidelson, 2012). Wal-Mart, however, made a media release stating that they had terminated their relationship with this factory immediately after the fire and global media reports.

The US media raised questions about how a company that had long been rated in the 'Orange' category[2] received orders from Wal-Mart (Manik & Yardley, 2012). This is an example of why powerful stakeholders, such as Wal-Mart, are interested in knowing more about the governance polices related to CSR in the supply factories, and why there is also incentive for corporate managers to disclose their governance polices related to social and environmental issues. However, there is a scarcity of research investigating how corporate managers respond to stakeholders' demand for corporate governance information disclosures. Solomon (2010) notes that one area of corporate disclosure which has, until now, been largely neglected, and which has lagged significantly behind the agenda for corporate governance reform in the UK (or elsewhere), is that of governance reporting.

Parker (2005a) also calls for the need for Social and Environmental Accounting (SEA) research in the area of corporate governance (Parker, 2005a, p.857):

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[1] Substantiative disclosures include not only CSR disclosures in general, but the disclosure of related policies, practices and governance issues pertaining to CSR practices.

[2] Wal-Mart categorises each factory's compliance based on their Ethical Sourcing Audit with colours such as Green, Yellow, Orange and Red. Green is the most compliant factory. If a factory remains in the 'Orange' category for three assessments for two consecutive years, it automatically goes to 'Red', which leads to a cancellation of business deals for that year (Wal-Mart, 2012).

There appear to be subject areas still under-researched that include the history of SEA, the environmental management systems……and a revival of research in social responsibility including such areas as corporate philanthropy, corporate governance, professional and corporate ethics, and the private versus public interest.

Parker (2005b) specifically pointed to the lack of research into corporate governance in Australia and New Zealand in his paper published in *European Accounting Review* (Parker, 2005b, p. 387):

Just as social and environmental accountability have become high profile public issues internationally, so has corporate governance, and yet the silence of (ANZ) accounting academics' response to both in terms of their teaching and research has, with notable exceptions, tended to persist.

Although there are some studies focusing on the motivation behind social disclosures, no studies found so far investigate the managerial motivation behind the disclosure of social responsibility-related corporate governance information. Most of the previous studies explore the motivation behind managers disclosing CSR issues in general[3].

In this paper we investigate the motivation behind corporate managers' disclosure of social responsibility-related corporate governance information. We selected corporate managers from the largest and most economically significant sector of a developing country, namely the textile and garment sector of Bangladesh. This sector provides 80% of the national export earnings and provides employments of about 4 million people, of which about 85% are women (BGMEA, 2011). As CSR is concerned with many aspects of a company's business, from sourcing to service delivery or product disposal, and can affect a host of cost-based as well as reputational aspects of a business (Roy, 2011), the disclosure of policies/practices regarding working conditions, health and safety, human rights and other related issues are of importance for an industry that is hugely criticised in the West and is sensitive to the economic growth and prosperity of a lower income developing country, namely Bangladesh.

The disclosure of CSR-related governance information is important, as without these disclosures, powerful stakeholders do not receive the governance information required to assess the commitment of managers towards high levels of social and environmental performance; in some cases organisations are associated with sourcing products from suppliers that have poor health and safety issues, including poor working conditions or the use of child labour in the factories. Grounded in legitimacy theory and the managerial branch of stakeholder theory, the aim of this paper is to analyse the views of corporate managers of the textile and garments industry of Bangladesh regarding their motivation for disclosing social and environment-related corporate governance information. We endeavour to understand why particular stakeholders' demand for governance information gets priority over others. We conducted 13 in-depth interviews to understand the motivation behind corporate managers disclosing social responsibility-related corporate governance information. Our results show that CSR-related governance disclosure decisions made by corporate managers, from a developing country perspective, are motivated to protect the organisations from potential legitimacy threats and to satisfy the powerful stakeholders.

For the purpose of this paper, we define social and environment-related governance information as information that includes particular rules, regulations, plans, policies or procedures that an organisation have in place to address matters related to social and environmental issues. These plans and policies could be part of an organisation's broad corporate governance practices. Social and environment-related governance information

[3] See for example Belal & Owen (2007), Islam & Deegan (2008), Belal & Roberts (2010) among others.

disclosures are important, as they extend our understanding of the structure, processes, activities and policies of companies with respect to social, environmental and ethical standards, and their relationships with the communities in which they operate.

The paper has the following structure: the next section (section 2) focuses on the reasons why this research should have been carried out. Section 3 provides relevant literature while section 4 emphasises the theoretical perspective of the research. We have used legitimacy theory and the managerial branch of stakeholder theory to understand corporate disclosure of governance information. In the research methods section (section 5) we demonstrate the methods and the interview protocols we followed to conduct the interviews overseas. After the research methods section, we discuss the findings (section 6) including the discussion of the findings. Section 7 provides a concluding remark and implication of the findings with further avenues of research.

2. Relevancy of this research

Investigating managerial perceptions or motivations for social disclosure is an important area of research within the SEA research discipline. There are some studies investigating the managerial motivation for social disclosures such as Islam and Deegan (2008), Belal and Owen (2007), and O'Dwyer (2002) among others. However most of the researchers explore the motivation behind corporate managers' disclosure of social or environmental information. We are interested in investigating the motivation behind corporate managers' disclosure of social and environment-related governance information. We argue that putting CSR issues in the formal governance mechanism is necessary to implement CSR in a real sense, and that companies need to practice CSR before initiating and subsequently disclosing the information. We consider corporate social and environmental responsibility within the context of corporate governance; we see corporate governance as a subset of corporate social and environmental responsibility. Hence the significance of this information disclosure is important for the relevant stakeholders and the potential CSR managers. As noted elsewhere in this paper, this is important for the stakeholders because they are sometimes exposed to the risks of being associated with suppliers who have a record of poor social and environmental performance; therefore, they are interested in knowing the governance policies pertaining to the health and safety, working conditions, child labour issues and other relevant issues. Without having this knowledge, these stakeholders are exposed to risk of losing their brand's reputation in global media reports (see for example the Wal-Mart media release 'Wal-Mart Statement on Fire at Bangladesh Garment Factory' immediately after the fire accident in one of its sourcing factories of Bangladesh, on Nov. 26, 2012) (Wal-Mart, 2012).

> *Our thoughts are with the families of the victims of this tragedy. The Tazreen factory was no longer authorized to produce merchandise for Wal-Mart. A supplier subcontracted work to this factory without authorization and in direct violation of our policies. Today, we have terminated the relationship with that supplier. The fact that this occurred is extremely troubling to us, and we will continue to work across the apparel industry to improve fire safety education and training in Bangladesh.*

So it is clear from this quote that Wal-Mart can not afford the risk of being linked with a supplier that does not maintain fire safety in their factory. In addition, Wal-Mart's own CSR policies and their corporate ethics were seriously criticised by Western media, NGOs and labour rights groups following this incident (Eidelson, 2012). Since a multinational company such as Wal-Mart needs to consider the broader global community's (societal) expectations regarding CSR practices of its supply companies, it could arguably want the supply companies to disclose their governance polices related to fire safety so that they do not end up in another awkward situation.

In this paper we investigate the motivation behind disclosures from corporate managers of the textile and garments companies in a developing country, Bangladesh. We chose the textile and garments industry (apparel industry) for a number of reasons. First of all, globally, the apparel industry has been increasingly in the spotlight as a significant contributor to global environmental and social issues (Kozlowski et al., 2012) and it has major negative environmental and social impacts, particularly on those at the bottom of the supply chain (Lee, 2007; Allwood et al., 2006). The global expansion of the apparel industry supply chains has harmed people's health and increased pollution through its release of toxic chemicals and solid waste (Dickson et al., 2012). It has caused water shortages, increased fossil fuel consumption, depleted raw materials and contributed to climate change (Dickson et al., 2009). Outsourcings of apparel production from developing countries have become a common choice because of the low-cost labour and less stringent standards and regulations surrounding social and environmental issues (Allwood et al., 2006). This results in significant social impacts such as violations of workers' rights, poor working conditions, long hours, low wages, child labour and health and safety issues, which are all still areas of concern in developing nations such as Bangladesh (Madsen et al., 2007). Moreover, in the 1990s, the apparel industry experienced a public backlash against the lack of social responsibility and accountability of factories located in developing nations and the use of so called 'sweatshops[4]' (Kozlowski et al., 2012). Hence, all of these facts warrant research attention to investigate social and environmental issues for the apparel industry globally.

Secondly, we believe that the textile and garments sector of Bangladesh is worthy of investigation, as there is evidence of adverse social, environmental and ethical issues in the garments sector of Bangladesh; this includes the use of child labour, lack of equal opportunities, and poor health and safety matters (Belal & Owen, 2007). Especially, during the late 90s and early 2000s, there were extensive criticisms in Western media about the working conditions, use of child labour, and poor health and safety issues in the garments factories of Bangladesh (Islam & Deegan, 2008). However, Bangladesh has the lowest garment wages in the world[5] and it is the third largest exporter of clothing after mainland China and Turkey among the developing countries (Manik & Bajaj, 2010). It is a sensitive sector for the national economy (as it provides almost 80% of the national export earnings) and for the international perspectives as multinational buying companies, NGOs and media often raised their voices about the working condition, health and safety and human rights violation within the supply companies located in Bangladesh from which the world reputed brands like GAP, JC Penny, PVH, H&M, Wal-Mart, Zara and so forth source many of their products.

As these brands are conscious of the risk associated with being linked to suppliers with poor social and environmental performance, they try to reduce this risk by taking care to select and manage their suppliers within the supply chain (Wolf, 2011). Over time, large branded companies have directed increasing concern towards the safety records and working conditions of the garments factories in various developing countries, such as Bangladesh. Heightened levels of concern imply that various stakeholders, including multinational buying companies, NGOs and the media, expect accountability and/or transparency pertaining to corporate governance practices and related disclosures of the organisations from which brands are sourcing their products. For example, Wal-Mart (2012) indicates on its websites that they

[4] A 'sweatshop' is a term widely used by Western media to indicate the garments factories of developing countries where workers usually work extremely hard to receive minimal wages, while the factory owners and brands are getting the benefits of low-cost labour at the expense of the workers.

[5] A Bangladeshi garments worker earns on average about US $64 a month, whereas the minimum wages in China's coastal industrial provinces range from $117 to $147 per month (Manik & Bajaj, 2010). The government of Bangladesh has a fixed minimum wage of about $45 per month, effective from November, 2010.

are striving to positively influence their global supply chain practices by continuously improving working conditions in countries from which they source their products. They also state that they are concerned about the corporate governance structure or processes that relate to the improvement of working conditions and safety issues:

> *We collaborate with other retailers, brands, NGOs and government leaders to verify the products we sell are produced in a way that provides dignity and respect for workers in our supply chain. As the world's largest retailer, we strive to positively influence global supply chain practices by raising our own standards and improving working conditions in the countries from which we source.*

Thirdly, if it is recognised that Western clothing brands are conscious of the risks associated with being linked to suppliers with poor social and environmental performance, then failure by organisations within Bangladesh to provide appropriate disclosures may result in a loss of customers. Because poor CSR-related corporate governance practices in the supply chain could have significant implications for multinational buying companies, they not only want information about supply organisations' social performance, but more importantly they require information about the corporate governance practices that the organisations have in place to mitigate the risks of negative social or environmental incidents that might arise. These multinational buying companies are also accountable to their end customers and they need to conform with global community expectations pertaining to the CSR practices of the supply companies, as Western customers are not likely to use products sourced from 'sweatshops' in a developing country (Crane & Matten, 2007). These stakeholders are more likely to know how corporate managers within their supply chain mitigate the risk associated with social and environment-related corporate governance practices, and one way of reducing this risk is the disclosure of governance information pertaining to social and environmental issues.

As there is no known study so far investigating the managerial motivation behind disclosure of social and environment-related corporate governance information, this study contributes to the existing body of research within SEA in general and on developing countries in particular. Gray et al. (1996) note that social and environmental reporting in less developed countries is particularly necessary, given the presence of developed country multinational companies in these countries; therefore, research on social and environmental disclosures in these countries is necessary. Thus, our attempt to understand the motivation behind corporate managers' CSR-related corporate governance disclosures responds to a call for research from other researchers (such as Gray et al., 1996; Parker, 2005a; Parker, 2005b; and Solomon, 2010) for governance reporting in the context of a developing country.
In addition we investigate if there is any potential expectation gap regarding the expectation of stakeholders and the actual disclosures made by corporate managers. We found that there may be a gap between stakeholders' expectations with regard to the disclosure of CSR-related corporate governance information and what companies believe stakeholders expect. It is possible that stakeholders might demand certain CSR-related governance information (we found a variety of stakeholders' expectations in the second part of the thesis), and that corporate managers might be unaware of this demand; this would create an 'expectation gap'. On the other hand, there would not be any expectation gap if corporate managers were aware of stakeholders' expectations but deliberately chose not to disclose the information.

Briefly, we have the following four research questions:

1. What are the broad issues pertaining to CSR-related corporate governance practices that managers in organisations in a developing country choose to disclose?

2. What are the mediums of disclosure used by organisations within a developing country to disclose CSR-related corporate governance information?

3. What is the motivation behind corporate managers' disclosure of social and environment-related corporate governance information?

4. Is there an expectation gap between what stakeholders expect in terms of social and environment-related corporate governance information and the actual information they are provided with?

3.0 Corporate governance and corporate social and environmental disclosures

The existence and scope of corporate governance and corporate social responsibility have been important issues for decades (Donham 1927; Bowen 1953; Whetten et al., 2002; Beurden & Gossling, 2008; Jamali et al., 2008; Baron et al., 2011; and Garcia-Castro et al., 2010 among others). Corporate governance may be broadly defined as ''the manner in which companies are controlled and in which those responsible for the direction of companies are accountable to the stakeholders of these companies" (Dahya et al., 1996, p. 71). Issues of governance include the legitimacy of corporate power, corporate accountability, to whom and what the corporation is responsible for, and by what standards it is to be governed and by whom (Worthy & Neuschel, 1983). Jo and Harjoto (2012) argued that there has been a remarkable discussion over the last two decades among scholars and practitioners on what constitutes the best corporate governance practices and why firms engage in CSR. By investigating the answers to these questions, they found that CSR engagement positively influences Corporate Financial Performance (CFP) and firms' CSR engagement with the community, environment, and diversity; employees play a significantly positive role in enhancing CFP.

Although Jamali et al. (2008) argue that corporate governance and corporate social responsibility should not be considered independently, there is limited research pertaining to the disclosure of corporate social and environmental governance aspects. There are two studies so far from practitioner groups who incorporate social and environmental issues within the corporate governance disclosures; these are ACCA (2010) and ACCSR (2011). ACCA (2010), in collaboration with Net Balance Foundation Limited, conducted a study to analyse the disclosure of corporate governance information by the top 50 ASX listed companies and found that the governance disclosures fall short of upholding fundamental values of transparency, accountability, fairness and responsibility. ACCSR (2011) found that about 60% of the Australian companies have certain CSR polices, but that these policies have not been integrated with the formal corporate governance practices embedded within the organisations. Although there is limited research investigating managerial motivation for CSR-related governance disclosures, there are some studies investigating managerial perceptions or motivations for social and environmental disclosure. Investigating the motivation behind corporate managers' social responsibility disclosures is one of the significant areas of research that falls under the social and environmental disclosure regime. Here the researchers particularly sought to explore the 'why' questions, and in explaining the 'why', reference was often made to the positivist approach to research. The positivist approach is an approach of 'explaining what is' (Deegan, 2006, p. 220). Thus, this area of research finds that an organisation reports social and environmental information to manage its stakeholders (see for example Ullman, 1985; Arnold, 1990; Tilt, 1994; Deegan & Blomquist, 2006; Belal & Owen, 2007; Islam & Deegan, 2008), to secure or maintain legitimacy, or to meet a community's expectations (see for example Deegan, 2002; O'Dwyer, 2002).

In contrast, some researchers seek to identify what organisations should do to be ethical and accountable to the wider stakeholder groups. This area of research can be classified as a normative approach to research, that is, ‘describing what should be’ (Deegan, 2006, p. 220). The normative approach is based on moral premises about how actors and organisations should go about their activities (Mainardes et al., 2011). One of the significant characteristics of the normative research approach is that “disclosure decisions should not be responsive to perceived legitimacy threats but should be based on the beliefs about what managers are considered to be accountable for, and what people need to know about” (Deegan, 2002, p. 298). The normative facet may serve to generalize the understanding of how organisational behaviours may be shaped and fashioned (Mainardes et al., 2011). In other words, the efforts of management need to be focused on grasping why the company needs to satisfy its stakeholders’ demands and how this can be achieved, as well as providing recommendations (to whom?). Some other prominent research in this particular area includes Cooper and Owen (2007), Cooper et al. (2003), Adams (2002), Lehman (1995), Gray et al. (1996), Hackston and Milne (1996), and Gray et al. (1995) among others.

While exploring the corporate managers’ motivations for disclosure, in addition to social and environmental factors, some researchers include ‘governance’ as a third factor to describe the responsibilities of firms to their stakeholders (see for example Bassen & Kovacs, 2008; Coleman, 2011). Coleman (2011) argues that increasing interest in environment, social and governance (ESG) research reflects pressures on management to explicitly take stakeholder interests into account when making strategic and operating decisions (Margolis & Walsh, 2003). Motivations for firms to adopt ESG initiatives are variously seen as coming from outside the firm, particularly to enhance their reputation and meet heightened stakeholder expectations (Barnett, 2007). Evidence suggests that there are perceived pressures from stakeholders for disclosing social and environmental information (Tilt, 1994; Belal & Owen, 2007; Islam & Deegan, 2008). In other words, corporate managers are motivated to disclose in order to overcome the pressure they receive from the powerful stakeholders.

However, as an organisation is part of a broader environment with complex and dynamic relationships with its many stakeholders who often have competing interests, it is a challenge for the managers to make the trade-offs among these stakeholders (Brown & Forster, 2012). Some CSR activities benefit all stakeholders and therefore avoid violating any rights, but other activities might require trade-offs between certain stakeholder groups. To make this trade off, corporate managers are likely to focus on satisfying more powerful stakeholders, and accordingly the satisfaction of the two groups of stakeholders is not the same. In addition to satisfying the information demand of key stakeholders, managers are motivated to disclose social information for other reasons such as receiving awards, enhancing their corporate image, receiving government support, obtaining funds and having a bandwagon effect [6] (Haniffa & Cooke, 2005).

If it is assumed that organisations have particular CSR-related governance policies in place, but these are not the same as what corporate managers believe about what stakeholders expect this leads to an ‘expectation gap’. In other words, if there is a mis-alignment of expectations between these two groups, then there is an ‘expectation gap’. As prior research (see for example, Kamal & Deegan, 2013; Islam & Deegan, 2008; Belal & Owen, 2007) reveals that NGOs, media, trade union leaders and others are less powerful stakeholders in the textile and

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[6] The bandwagon effect is an observed social behaviour where people tend to go along with what others do or think regarding their actions (Haniffa & Cooke, 2005). The likelihood of a bandwagon effect is greatly increased as more and more people adopt an idea or behaviour. The bandwagon effect can be seen at almost all levels of human interaction, and being aware of its influence on a person can help him/her to make calculated decisions that are based on one’s beliefs and values rather than on the temptation to go along with a group. That is corporate social disclosure is become part of ‘accepted myths’, which relies upon a deal of literature on institutional theory (see for example Deegan 2002; Deegan, 2011).

garment industry of Bangladesh, this paper argues that these stakeholders are not likely to receive the required governance information; the reason for this could be that corporate managers are not aware of what these particular stakeholder groups want, or simply that they do not care about this group. As we are investigating the potential 'expectation gap' in the disclosure of social responsibility-related governance information, we need to briefly review the notion of an 'expectation gap'.

3.1 Expectation gap

The first use of the term 'expectations gap' was applied in auditing literature by Liggio (1974), although the basic idea was in existence before 1974 (Lee, 1970). Liggio (1974) defined the expectation gap as the difference between the levels of expected performance "as envisioned both by the independent accountant and by the user of financial statements" (p. 27). The Cohen Commission extended this definition by considering whether a gap may exist between what the public expects or needs and what the auditors can and should reasonably expect to accomplish (Commission on Auditor's Responsibility, 1978). Since then the term 'expectation gap' has extensively been used by researchers in auditing literature (such as Lander & Reinstein, 1989; Porter, 1991; Gay & Schelluch, 1993; Monroe & Woodliff, 1993; Humphrey et. al., 1993; Gloeck & DeJager, 1993; Epstein & Geiger, 1994; Gay et. al., 1997; Koh & Woo, 1998; Martinis et al., 2000; and Chowdhury et. al., 2005 among others). However, Deegan and Rankin (1999) used the term 'expectation gap' in social accounting literature to investigate whether a potential information demand/supply imbalance is due to differing perceptions between report users and report preparers regarding corporate environmental information. They applied the notion of an expectation gap to indicate the relationship that exists between Australian preparers and users of annual reports and users' expectations for environmental performance information disclosures; they found that there appears to be a difference between users' and preparers' expectations in relation to various issues associated with the provision of environmental performance information (Deegan & Rankin, 1999).

Later, some researchers used the notion of an expectation gap in the social and environmental accounting discipline particularly to investigate the 'social audit expectation gap', such as Gonella and Woo (2000), Lewellyn (2000), Swift and Dando (2002), and Adams and Evans (2004) among others. Gonella and Woo (2000) and Lewellyn (2000) found that, in the case of assurance provision for social and environmental reports, multidisciplinary teams and the use of specialists are necessary to add credibility and reduce the (social) audit expectations gap. Swift and Dando (2002) suggest that the social audit expectations gap arises due to a lack of technical competencies, the timeliness and relevance of auditor communication, the lack of assurance-provider independence and a lack of commitment to public interest. Adams and Evans (2004) found some factors contributing to the expectations gap in social auditing, such as a lack of legal requirement, no single set of widely agreed standards on which to report, no guidelines specifying what type of audit opinion should be issued under certain circumstances, different and often competing stakeholder interests (for whom the social audit is prepared), and the qualitative nature of the data used in the social audit[7] process. They argued that there would need to be a radical change in corporate governance systems, giving stakeholders more power on issues such as the appointment of (social) auditors and determination of the (social) audit scope.

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[7] A typical ssocial audit generally adheres to internationally recognized SA 8000, ILO standards pertaining to labor practices, European standards such as BSCI (Business Social Compliance Initiative) or Sedex standards for social and ethical compliance and assess a company's policies and procedures relating to workplace health and safety, child and forced labor, working hours and wages, gender discrimination, management systems, and so forth.

Based on the notion of an ‘expectation gap’ explained above and in line with the objective of this paper, we predict that there might be an ‘expectation gap’ between what less powerful stakeholders of the textile and garments industry of Bangladesh demand in terms of CSR-related governance and what managers believe they expect. We look at less powerful stakeholders in this section as we believe that powerful stakeholders are satisfied with the information they received relating to CSR-related governance information, and that there might be an ‘expectation gap’ with less powerful stakeholders. Such an expectation gap (if it really exists) would probably imply that managers in a developing country context might be unaware of the information demanded by the less powerful stakeholders. We argue that there may be some disconnections between the individual garments company, their industry association and the less powerful stakeholders regarding the expectation of the disclosure of governance practices relating to social and environmental issues. However, if corporate managers are well aware of what stakeholders (irrespective of power or not) expect, and then deliberately provide less information, this results in a ‘no expectation gap’.

4. Theoretical perspectives of the research

While investigating managerial motivation, researchers in SEA used different theoretical lenses such as legitimacy theory, institutional theory, resource dependency theory and stakeholder theory to explain their findings rather than simply describing social and environmental accounting and reporting practices (Owen, 2008; Chen & Roberts, 2010). Chen and Roberts (2010) note that all these theories share a similar ontological view, and the key constructs employed are also similar. It is not our intention to illustrate the details of the theories applied in the literature. The details of the theories are available in other research such as Deegan (2002; 2011), and Chen and Roberts (2010). However, some relevant discussions about the legitimacy theory and the managerial branch of stakeholder theory are provided to understand the broader picture of the motivation behind corporate managers’ disclosure of social responsibility-related corporate governance information.

4.1 Legitimacy theory

Parker (2005a) notes that the most pervasive theory has been legitimacy theory which goes back to the writings of Schocker and Sethi (1974), Dowling and Pfeffer (1975), and Hogner (1982), and received scholarly recognition from Lindblom (1994). Patten (1992), Deegan and Rankin (1996), Deegan and Gordon (1996), Gray et al. (1995), Deegan et al. (2000), O’Donovan (1999, 2002), Belal and Owen (2007), and Islam and Deegan (2008) are among the others who apply legitimacy theory to explain social and environmental disclosure practices. Legitimacy theory is used by the researchers as it is believed that an organisation maintains its ‘license to operate’ in the society by complying with the expectations of the community. It is assumed within legitimacy theory that society allows the organisations to continue operations to the extent that they generally meet the society’s expectations by complying with the ‘social contract’ (Deegan, 2011, p. 325). The concept of a ‘social contract’ is not new. It has been discussed by philosophers such as Thomas Hobbes (1588-1679), John Locke (1632-1704), Jean-Jacqus Rousseau (1712-1778) and Shocker and Sethi (1974) among others, as noted by Deegan (2011).

The notion of a ‘social contract’ is used to represent the multitude of implicit and explicit expectations that society has about how the organisation should conduct its operations (Deegan, 2011, p. 325). The view taken is that as long as the company’s activities are consistent with the society’s values, the company’s legitimacy and survival are assured. The legitimacy of a company is called into question when society’s expectations do not match the corporation’s behaviours (Henderson et al., 2011). As social expectations increase and change overtime, it is anticipated that successful business corporations will react and attend to the human, environmental and other social consequences of their activities (Heard & Bolce, 1981). Deegan (2011) also notes that as community expectations change, organisations must also adapt and change, and need to anticipate and understand the trends in society, such as new regulations, heightened societal expectations and improved knowledge. Based on these societal expectations, legitimacy theory proclaims that organisations continually seek to ensure that they are perceived as operating within the bounds and norms of their respective societies, and to ensure that perception they attempt to engage with activities that outside parties see as 'legitimate' (Deegan, 2011, p. 323). Thus, an organisation is deemed to be 'legitimate' to the extent that there is "congruence between the social values associated with or implied by their activities and the norms of acceptable behaviour in the larger social system of which they are a part" (Dowling & Pfeffer, 1975, p. 122). "When disparity, actual or potential, exists between the two value systems, there is a threat to the entity's legitimacy", (Lindblom, 1994, p. 2). Within legitimacy theory, legitimacy is considered to be a resource on which an organisation is dependent for survival (Dowling & Pfeffer, 1975; O'Donovan, 2002). However, unlike many other resources, it is a resource that an organisation is considered to be able to affect or manipulate though different disclosure-related strategies (Woodland et al., 1996). Legitimacy theory suggests that whenever managers consider that the supply of a particular resource is vital to organisational survival, they pursue strategies to ensure the continued supply of that resource (Deegan, 2011, p.324); strategies are then aimed to gain, maintain or repair legitimacy (O'Donovan, 2002). Thus, legitimacy theory provides a solid foundation for explaining the disclosure of social responsibility information.

We have used the legitimacy theory for the following reasons:
Textile and garments companies in Bangladesh faced serious criticism from Western media and customers during the late 90s and early 2000s for the poor working conditions, health and safety issues, the use of child labour and the violation of human rights (Islam & Deegan, 2008). Over the years, Western brands and customers have become more aware of the social performance of supply companies, as they are no longer only satisfied with so called 'symbolic disclosures[8] of social performance, but they want substantial disclosures relating to the practice of corporate governance which includes CSR strategies; this provides pressure on organisations for the disclosure of governance information relating to CSR (Kamal & Deegan, 2013). This pressure and criticism created a legitimacy crisis for the survival of the garments industry of Bangladesh. At this time the survival of the Bangladeshi textile and garments companies was at high risk (Islam & Deegan, 2008), and consistent with the legitimacy theory, textile and garments companies undertook actions to reduce that risk through disclosures of their governance information.

Secondly, companies need to change their corporate governance practices to incorporate the CSR issues within the formal governance mechanism. Without communicating or disclosing the changes made, to the legitimacy-conferring stakeholder groups such as the relevant society or community, organisations can still face legitimacy threats even when they comply or change their corporate governance structures or processes to fit in with society's expectations (de Villiers & van Staden, 2006). Lindblom (1993) hints at possible changes in the direction and quantity of disclosures, when she notes that legitimacy is a dynamic concept, because societal expectations change over time. O'Donovan (2002) is more specific when he finds evidence to support the view that legitimising strategies may vary under conditions where legitimacy is sought to be gained, maintained or repaired. Thus we argue that since textile and garments companies of Bangladesh are subject to pressure from legitimacy

[8] Symbolic disclosure implies that organisations disclose social and environmental information as an immediate response to pressure from powerful stakeholders and in most of the cases these disclosures are not sustained in the long term. In other words, these disclosures are cosmetic in the sense that they disclose the information without substantive implementation of related policies and practices.

conferring stakeholders such as multinational buying companies[9], NGOs, media and society in general, they need to change their corporate governance structure/practices to incorporate CSR issues; they also need to disclose this governance information to avoid the potential threat of legitimacy. This form of disclosure is particularly important for companies, as powerful stakeholders are not merely happy with so called ‘general CSR disclosures’, but are rather interested in knowing about the corporate governance processes/structures or mechanisms behind those CSR issues (ACCSR, 2011), and if these are not disclosed the supply companies are exposed to legitimacy threats. We argue that legitimacy is better achieved through governance disclosures, as general CSR disclosures often seem symbolic and provide an immediate response to stakeholders' pressure; these ‘symbolic’ disclosures do not satisfy stakeholder demand, as stakeholders want substantive information that supports the company's governance policies pertaining to CSR practices. However, if stakeholders/society did not appear to getting the required governance information; it seems inconsistent with legitimacy theory perspective.

Finally, we argue that given the global nature of the textile and clothing industry, it is the global community's expectations that might shape the governance disclosure practices of the garments and textile companies of Bangladesh. It is our understanding that the pressure that the garment companies receive creates a legitimacy crisis for the whole garments industry of Bangladesh. Islam and Deegan (2008) find that ‘threats’ to an entity's perceived legitimacy are predicted to lead to responsive actions by management (through disclosures) who endeavour to minimise the impacts of such a legitimacy threat. Based on this argument we predict that the textile and garment companies disclose their CSR-related corporate governance information aimed at the broader society to minimise the impact of legitimacy threats. Thus, we are interested in explaining our findings in light of the application of the Western-derived[10] legitimacy theory from a developing country perspective. However, we combine the stakeholder's theory perspective with the legitimacy theory to get better insight into corporate managers' motivations.

4.2 Stakeholder theory

We need to consider stakeholder theory along with legitimacy theory as both theories conceptualise the organisation as part of a broader social system wherein the organisation impacts on, and is affected by, other groups within the society (Deegan, 2002, p. 295). However, Gray et al. (1995, p. 52) argue that there is much overlap between the stakeholder and legitimacy theory:

> *It seems to us that the essential problem in the literature arises from treating each as competing theories of reporting behaviour when ‘stakeholder theory’ and ‘legitimacy theory’ are better seen as two (overlapping) perspectives on the issue which are set within a framework of assumptions about ‘political economy’.*

The political economy perspective suggests that to investigate an economic issue we need to consider political, social and institutional frameworks within which the economic activities take place. Deegan (2011, p. 322) states that “considering the political economy a researcher is able to consider broader (social) issues that impact on how an organisation operates and what information it elects to disclose”. However, the legitimacy and stakeholder theory

[9] Although the supply companies of Bangladesh are getting pressure from multinational buying companies, it is actually the broader society that determines the ‘legitimacy’, and the multinational buying companies react to this. The casual link here is since multinational buying companies are also operating in a broader global community/society, to protect their own ‘legitimacy’ they pressure the supply companies for particular social performance-related governance practices.

[10] Most of the prior application of legitimacy theory was in the context of developed countries such as the US, Canada, UK, Australia and others, and it is believed that legitimacy theory could be better applied in the context of developed countries rather than developing countries.

provide some consistent but slightly different insights into the factors that motivate managerial behaviour (Gray et al., 1995; O'Donovan, 2002). For example, Deegan (2011, p. 346) notes that:

> *Differences between the theories largely relate to issues of resolution; stakeholder theory focuses on how an organisation interacts with particular stakeholders, while legitimacy theory considers interactions with 'society' as a whole. A consideration of both theories is deemed to provide a fuller explanation of management's actions.*

Freeman (1984, p. 46) defined a stakeholder as "any group or individual who can affect or is affected by the achievement of an organisation's objectives". Deegan and Blomquist (2006), Belal and Owen (2007), and Islam and Deegan (2008) are among others who apply the stakeholder theory to explain the impact of particular stakeholders on the social and environmental disclosure practices of firms. The idea behind stakeholder theory is that the disclosure of particular types of information can be used to gain or maintain the support of particular groups (Deegan & Blomquist, 2006), and the theory explicitly refers to issues of stakeholder power (Islam & Deegan, 2008).

Stakeholder theory was put forward by Freeman (1984) as a proposal for the strategic management of organisations in the late twentieth century. Over time, this theory has gained in importance, with key developments by Clarkson (1994, 1995), Donaldson and Preston (1995), Mitchell et al. (1997), Rowley (1997) and Frooman (1999), which enabled both greater theoretical depth and development. Its modern utilisation traced back to management literature written by the Stanford Research Institute in 1963 to generalize and expand on the notion of the shareholders as the only group that management needed to be sensitive towards (Jongbloed et al., 2008). Within this perspective, Freeman (1984) argued that business organisations should be concerned about the interests of other stakeholders when making strategic decisions, and he thought stakeholder as the fulcrum of stakeholder theory. This means that stakeholders are considered the central focus of stakeholder theory. Stakeholder theory can be useful in explaining as well as guiding the structure and operations of established corporations (Donaldson & Preston, 1995). Russo and Perrini (2010) argue that from a practitioners' perspective, the stakeholder theory helps with good managerial and instrumental practices in firms. However, they believe that today, CSR is focused on a stakeholder model, which has become widely accepted among contemporary business organisations. Stakeholder theory explicitly accepts that different groups have different views about how organisations should conduct their operations and have a varied affect on organisations (Deegan, 2002).

Deegan (2002) notes that there are two branches of stakeholder theory, one is normative (ethical) and the other is positive (managerial). The normative branch provides directions as to how organisations should treat their stakeholders, and this theoretical perspective also considers the rights and duties of the actors involved and how a just balance of different stakeholder concerns can be achieved (Lozano, 2005; Ulrich, 2008). Thus, from a normative point of view, stakeholders need to be included in corporate governance in order to respect their moral rights (Spitzeck & Hansen, 2010). Although the normative branch of stakeholder theory emphasises that all stakeholders have the right to be treated fairly by an organisation, it does not consider the issues of stakeholder power (Deegan, 2009). Deegan and Blomquist (2006), Islam and Deegan (2008) and Deegan (2009) find that organisations respond to the expectations of those stakeholders that are deemed to be more powerful. The powerful stakeholders are those who control the resources necessary to the organisation's successful operation and who could at anytime withdraw their support if the required social responsibilities were not considered by the organisation (Freeman, 1984; Ulmann, 1985; Deegan & Blomquist, 2006). This aspect of stakeholder theory is known as the positive or managerial branch (Deegan, 2011). This theoretical perspective emphasises that managers disclose information to manage particular stakeholder groups who have the most power in terms of controlling the organisation's resources (Ullman, 1985).

While we are exploring the motivation behind corporate managers' disclosure of social responsibility-related corporate governance information, we predict that managers' disclosure decisions are motivated by the powerful stakeholder group. Prior research (see for example, Kamal & Deegan, 2013; Islam & Deegan, 2008; Belal & Owen, 2007) revealed that the multinational buying companies are the most powerful stakeholders in the textile and garments companies of Bangladesh. When they source their products from Bangladesh, they are interested in what particular governance polices companies have to ensure that there is limited risk being exposed to their brand. Accordingly, we predict that corporate managers are motivated to disclose CSR-related corporate governance information to satisfy this powerful stakeholder group. Thus, combining the legitimacy theory and the managerial branch of the stakeholder theory could provide us with a better representation of the managerial motivation behind disclosing social responsibility-related corporate governance information from a developing country perspective[11].

5. Research Methods

To investigate the motivation behind corporate managers' social responsibility-related governance disclosures, we used the *constructionist ontological and interpretivist epistemological* position [12] (Bryman & Bell, 2007). Having this position in mind, we conducted 13 interviews with senior corporate managers from the textile and garments industry of Bangladesh. The main goal of the interview was to understand the motivation behind the disclosure of CSR-related governance information.

5.1 Interviewee profile

When selecting the interview participants, first we contacted one of the senior officials of BGMEA (2nd Vice President). He provided us with a list of garments companies listed on the Dhaka Stock Exchange (DSE) and another list of companies not listed. Apparently, all garments companies, whether they are listed or non-listed (private), are members of the BGMEA[13]. Initially we selected all the DSE-listed garments and textile companies from the list (25 companies in total) and sent emails to each company's CEO or company secretary, inviting them to participate in an interview. However, we only had three responses and subsequently conducted interviews with them. We carried out follow-up requests, but these did not increase the number of positive responses. To select the participants from the private companies (non-listed) we used the BGMEA website to find the largest companies in terms export revenue, line of operation and workers employed. We sent emails and made telephone calls to 30 companies, but received responses from only 12, and finally conducted interviews

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[11] In this paper we argue that supply companies will disclose governance information to look 'legitimate' to the society (legitimacy theory perspective) and they will also disclose information to satisfy multinational buying companies (stakeholder theory perspective). However (as discussed in the theory sections), since legitimacy theory often overlaps with stakeholder theory, at this stage we are not directly assessing which perspective is more important than other.

[12] An epistemological position described as interpretivist, meaning that, in contrast to the adoption of a natural scientific model in quantitative research, the emphasis is on the understanding of the social world through an examination of the interpretation of that world by its participants. An ontological position described as constructionist implies that social properties are outcomes of the interactions between individuals, rather than phenomena 'out there' and separate from those involved in its construction (Bryman & Bell, 2007).

[13] BMGEA is a government-recognised trade body that represents the export-oriented garment manufacturers and exporters of Bangladesh. It has a considerable degree of political and administrative control over the industry, as only members have the legal right to export clothing (Islam & Deegan, 2008, p. 852).

with 10. When contacting the interviewees, they were given a general idea about the purpose of interview.

Thus we had a total of 13 interviewees; three from the listed companies and the remaining from unlisted companies. We selected more participants from unlisted company as there are very few garments and textile companies listed in the Dhaka and Chittagong Stock Exchanges[14]. Thus, to understand the motivation behind corporate managers' disclosure of CSR-related governance information we focused more on private companies rather than publicly listed companies. We found that the Bangladeshi corporate culture is characterised by a concentrated ownership structure (Siddiqui, 2010), and that there are many family businesses (private companies) that are even larger than listed companies in terms of size, market share and volume of employment. More specifically, the garments sector of Bangladesh is mostly run by the private sector, with almost 95% private and only 5% listed (DSE , 2011).

Most of our interviewees were with senior corporate managers, or CEOs or Chairmans, or Managing Directors of the companies, and in most of the cases (except with the public-listed companies) they were the owners or majority shareholders (a table indicating the positions of interviewees is given in the appendix). The in-depth interviews were conducted with these senior officials, assuming that they were involved with the formulation of internal governance mechanisms for the textile and garments companies and made decisions about disclosures. This also implies that these persons were responsible for corporate governance practices and were very much aware of their corporate governance policies and their disclosure policies as well.

5.2 Conducting interviews

We used a set of semi-structured interview questions for the corporate managers. The interviews were conducted from December 2011 to February, 2012. Having the same social, cultural and ethnic background provided the researcher with more access. However, conducting interviews with CEOs or Managing Directors of a company is difficult, as all of these people are very busy and it is hard to firstly convince them to participate in an interview and secondly for them to find time for the interview. All the interviews were conducted in Dhaka, the capital city of Bangladesh. The interviews ranged from 30 minutes to 1 hour 20 minutes.

All the interviews were conducted in a face-to-face setting. Most of the interviews were tape recorded. Extensive notes were taken during the interview process, irrespective of recording. Although most of the interviews were conducted in English, some participants felt more comfortable speaking in their own language. In these cases the interviews were conducted in the local language, 'Bengali', and then translated into English. The audio records were then transcribed with additional notes and a copy of each interview transcript was sent to the interviewee's email address for them to verify the content before use. Some of the texts from the interviews are quoted in this paper to enrich the insights. The list of interview participants and the dates for the interviews is attached in the appendices (i). When we quote from the interviews, we refer to our interviewees by number, such as interviewee 1 and interviewee 2, however, the number we use in the text does not necessarily represent the serial number in the appendix. The interview questions are also attached in the appendices (ii).

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[14] Bangladesh has only two stock exchanges, Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE). We did not consider CSE-listed companies as most of the garments and textiles companies listed in the DSE are also listed in the CSE with very few exceptions.

6. Findings

We divided our findings section into three parts. In the first part, we discuss the broad issues that corporate managers see as important for CSR-related corporate governance practices, and whether or not they disclose this governance-related information, and if they disclose, where this information is disclosed. In the second part we focus on the managers' motivation behind the disclosure of social responsibility-related corporate governance information, and in the third part, we provide the evidence of a potential expectation gap, followed by discussion and implications of the findings.

6.1 Broad issues pertaining to CSR-related corporate governance practices and the mediums of disclosure used by corporate managers

Most of the corporate managers believed that the broad issues pertaining to CSR-related corporate governance practices include 'social compliance' and 'environmental compliance'. The term social compliance encompasses issues related to working conditions, health and safety, the use of child labour, labour rights, human rights, and minimum wages. Social compliance refers to the compliance with a set of acceptable social standards, which are made up with particular reference to in-house codes of conduct/standards developed by multinational buying companies, ILO standards, SA 8000 and European standards such as BSCI (Business Social Compliance Initiative) (Islam & Deegan, 2012). Most of the corporate managers believed that they need to disclose 'social compliance' related issues, as most of the pressure they received from the powerful stakeholders surrounded these issues. Only a few corporate managers thought that they needed to disclose environmental compliance-related information. 'Environmental compliance' refers to conforming to existing local and international environmental laws, regulations and standards. Environmental compliance is important mainly for the textile sector, as they use poisonous chemicals for dying. The managers of these companies believed that they should disclose information relating to the use of toxic chemicals and the recycling of waste water, because these were issues of concern to the powerful stakeholders. Corporate managers from the garments sector thought that they did not have much to disclose for environmental compliance.

While asking corporate managers about their method of disclosing information pertaining to CSR-related governance, we found three main mediums. These were annual reports, corporate websites and special purpose reports[15]. A small number of managers used other mediums such as leaflets and brochures, which were only limited to a factory level and targeted at workers. Corporate managers are motivated to disclose their governance information in these different mediums for very specific reasons. Not all the companies within our sample used these mediums simultaneously, and we found that to some extent the disclosure medium used was dependant on whether or not the company was listed. Based on the interview findings of different listed and unlisted companies, it was found that listed companies disclosed some of their CSR-related governance information within annual reports. Some companies, irrespective of their listing, disclosed some governance information on their websites, and most of the unlisted companies disclosed their governance information through special purpose reports. As listed companies need to follow the SEC requirement for corporate governance reporting, they provided very limited CSR-related governance disclosures in their annual reports:

> *As we are a listed textile and garments company, the disclosure of corporate governance information is compulsory for us. So we are using annual reports disclosures for two reasons, first to comply with SEC requirement and second to comply with our stakeholder's requirement (Interviewee no. 9).*

[15] However, we did not find any evidence of corporate disclosures through sustainability reports, or stand-alone social and environmental reports within the garments and textile industry of Bangladesh.

Listed companies used annual reports to disclose the governance information required by the SEC and other stakeholders. In the context of Bangladesh, there were no corporate governance guidelines until 2006 (SEC, 2006), so most of the companies were not aware of the requirement of corporate governance practices. However, after 2006, to comply with SEC requirements, listed companies began incorporating a page within their annual reports indicating their compliance with corporate governance by simply clicking the check box. However, the SEC directives do not require any specific social or environmental information to be disclosed by the textile and garments companies, although this industry is very sensitive in terms of foreign currency earnings, providing employment within Bangladesh, and Western concern regarding the health, safety and working conditions of the factories. In fact SEC does not even require the existence of social and environmental governance policies to be incorporated into the annual reports. Nevertheless, some listed companies use annual reports to disclose governance information, as they believe that information provided within the annual reports is used by other stakeholders such as NGOs, the media and others who essentially depend on general purpose reports such as these. Since SEC has no compulsion regarding CSR-related governance reporting, the voluntary disclosure of CSR-related governance information in this medium is very limited. However, some corporate managers argued that there should be some guidelines either from the SEC or from the BGMEA regarding CSR-related governance, to provide a better understanding of what needs to be disclosed.

Social and environmental disclosures through websites were not a common medium of disclosures for organisations within developing countries such as Bangladesh, as found by earlier researchers such as Kamal and Deegan (2013). However, we found that some companies use web-based disclosures for specific reasons we were unaware of before conducting the personal interviews. One of the reasons was that companies use their web-sites to provide spontaneous disclosures when they are likely to receive big orders from 'big brands'. Spontaneous disclosures of information are those that are offered up as a raw declaration in the spur of the moment, particularly when companies have the potential to receive orders from reputable brands. Garments companies usually make these kind of disclosures as a precaution and to convey the message that they have sound CSR-related governance polices implemented within their company:

> *We are very careful about the disclosures when we get orders from big firms. We become more conscious about social and environmental issues and we believe they might check our websites to get the up-to-date information, so we immediately update our web-sites (Interviewee no. 2).*

However, the web-based disclosures might not be sufficient for 'big firms'. So the next and most extensive medium used by the supply companies of Bangladesh was the use of special purpose reports. Special purpose reports are designed to meet the information needs of a specific group or satisfy a specific purpose (Deegan, 2011):

> *Some parties with an interest in the financial affairs of an entity might be in a position to successfully demand financial statements that satisfy their specific information needs (Deegan, 2011, p. 5).*

For example, multinational buying companies who source their products from Bangladesh or any other developing country might demand, as part of their sourcing requirement, that a garment company provide information about its workplace conditions, labour rights and associated safety of the factory where they manufacture their products. Such a statement would be considered a special purpose report, in this case to satisfy the information demand of a multinational buying company (Deegan, 2011). Special purpose reports are not publicly available documents and can be only demanded by those stakeholders who have considerable power. Previous research (such as Islam & Deegan, 2008; Kamal & Deegan, 2013) indicates that multinational buying companies are the most powerful stakeholders for textile and garments companies of Bangladesh, and accordingly have considerable power to demand special purpose reports such as social audit reports. A social audit is the process by which an organisation determines its impacts on society and then reports it to the wider community (Owen et al., 2000). Multinational buying companies see these as reliable, as in most cases a social audit is conducted by an independent third party. However, garment companies might need a series of social audit reports, as each different multinational buying company may have different preferences for the firm carrying out the social audit. Since different multinational buying companies have different requirements, and currently there is no uniform social compliance code (which is the basis of a social audit), garments companies need to provide a series of social audit reports, irrespective of the cost. As most of the social audit reports contain information pertaining to the CSR practices and related governance, some corporate managers think that it is a form of disclosure of information:

> *We are disclosing most of our CSR-related governance information during our audit phase, as the auditors are interested to know each and every thing and it is done by third party sudden audit (audit without prior notice conducted by third party independent auditor). Debenhams, AGS, Tommy Hill, NEXT and TESCO, which are our main customers, have very extensive audit phase (Interviewee no. 3).*

From the above discussion we documented that corporate managers within the organisation from a developing country used different mediums such as corporate annual reports, websites and special purpose reports to disclose their CSR-related governance information. The particular motivation behind the use of each of these mediums is discussed in the next section.

6.2 Motivation for CSR-related corporate governance disclosures

6.2.1 To satisfy powerful stakeholders

We have found a variety of motivations behind corporate managers' discloser of CSR-related governance information. However, most of the interview participants argued that their primary concern was to satisfy the global community' expectations via multinational buying companies, since the global community puts pressure on multinational buying companies as they do not necessarily know who the local suppliers are; the chain reaction is that multinational buying companies put pressure on their supply companies to disclose their governance polices pertaining to CSR. Accordingly, corporate managers are motivated to disclose their governance information through the medium that is preferred by the multinational buying companies, and most prefer special purpose reports such as social audit reports to get the required governance information. However, some corporate managers argued that they previously used annual report disclosures, but now focused more on special purpose reports as it was preferred by the multinational buying companies. They argued that they tended to disclose more about social performance when they were pressured by their buying companies:

> *We only disclose something when we got pressure to disclose. We are disclosing corporate governance information relating to social and environmental issues such as working conditions, health and safety, labour rights and so forth mainly because our buyers want this kind of information. We have disclosed more information when we got scared about the phase out of export quota in 2005 as we thought that we are going to miss out the market if we would not disclose (Interviewee no. 7).*

Panic spread throughout the entire garments industry of Bangladesh during 2005, as it was widely believed that due to a withdrawal of export quota[16] Bangladesh might lose its export market. This was a huge threat to their survival, as they were unlikely to be able to compete with other sourcing destinations. During this time garments companies provided extensive disclosures of social information to try to minimise that 'survival threat' (Kamal & Deegan, 2013). In addition, there were increasing societal expectations (based on negative media publicity) that the supply companies needed to disclose CSR-related governance information to satisfy the broader community, including multinational buying companies (Kamal & Deegan, 2013). Thus it is argued that, to conform with increased societal expectations about poor health and safety and labour rights-related issues that emerged during the late 90s and early 2000 (Islam & Deegan, 2008), corporate managers needed to reduce their survival risk by providing CSR-related governance information. As discussed in the previous section, most of the supply companies used special purpose reports such as social audit reports to provide information. Some supply companies stated that they regularly had social audits carried out by third party auditors, in order to get reports ready to satisfy the multinational buying companies. In such cases, the social audit reports could be given to all multinational buying companies and interested parties. However, in some cases, multinational buying companies are not satisfied with the social audit conducted by the supply companies, and in such situations the company is forced to have further social audits carried out by their brands' nominated audit firm, with the cost borne by the supply company:

> *We are bound to disclose the CSR-related governance information during our social audit phase and this information is extensively used by our buyers (Interviewee no. 3).*

To uphold the brand's reputation is one of the major motivations behind corporate managers' disclosure of CSR-related corporate governance information. They use the term 'brands' to indicate the multinational buying company for which they manufacture products. These 'brands' include Wal-Mart, JC Penny, Tommy Hilfiger, Zara, Target, PVH, Marks & Spencer, H&M, Levis and many others. They believed that if they did not disclose the required governance information, the 'brands' would not source products from them, and thus they aligned with the social and environmental commitment of the brands, particularly in dealing with labour-related issues:

> *Our motivation for social compliance practices and related disclosures are for our brands reputation. We are working for global reputed brands, we need to take care of this brand and we have some social as well as environmental commitment with our brands. To show our commitments, we need to provide disclosures (Interviewee no. 12).*

A 'brands' reputation would be jeopardised if it were revealed in the media that a particular brand is associated with a supply company with poor CSR performance. As brands are conscious about the global societal/community expectations, it can be argued that the supply companies provide governance information in consideration of the global societal expectations, knowing that if they didn't this would pose a 'legitimacy threat' on both the brands and the supply company itself.

A significant number of corporate managers believed that they needed to satisfy their buyers by providing information in the area buyers were interested in. As their main target was to keep the buyers happy and continue the supply contract, they disclosed CSR-related governance information as well. Thus, consistent with previous research, this paper also finds

[16] Bangladesh has been granted 'export quota' since 1985. However, as the global apparel market become more competitive, this 'quota system' was finally abolished on 31 December 2004, making worldwide textile and garments trade quota –fee.

that the supply companies of Bangladesh provide CSR-related governance information in order to satisfy the information demands of powerful stakeholders such as multinational buying companies (see for example Islam & Deegan, 2008; Belal & Owen, 2007). However, this paper provides some new insights about corporate disclosures of CSR-related governance information. For example, Kamal and Deegan (2013) found that there were limited disclosures based on corporate annual reports; however, by conducting interviews with corporate managers, this paper finds that corporate annual reports are not the only medium of disclosures used by managers in the textile and garments companies of Bangladesh. Rather, the supply companies extensively use alternative methods such as special purpose reports, and most of the multinational buying companies satisfy their information needs with special purpose reports such as social audit reports. This implies that researchers (such as Kamal & Deegan, 2013; Belal & Roberts, 2010) need to be careful when making claims about the completeness of disclosures if they have not yet considered the possibility that special purpose (and non-public) reports are being prepared.

Disclosure decisions for CSR-related governance information are also motivated by manager's perceptions of the potential orders from big brands. Some companies use their websites to provide spontaneous disclosures when they have the potential to receive orders from reputable brands such as H&M or Marks & Spencer or Zara. Again, the motivation here is to satisfy the targeted buyers, even though they are not sure that these 'big brands', such as H&M, Mark & Spencer and others, are happy with these spontaneous disclosures on the website:

> *H&M and Mark & Spencer social requirements are next to impossible but we always admire their system. If we are not disclosing CSR-related governance information, we are not getting the contract (Interviewee no. 2).*

Thus we found that corporate managers are primarily motivated to provide CSR-related governance information to conform to broader societal expectations and to satisfy the powerful stakeholders' demands for governance information. Corporate managers primarily use annual reports, special purpose reports (such as social audit reports) and corporate websites to provide such governance information. However, multinational buying companies, being the most powerful stakeholders, receive their required governance information from special purpose reports such as social audit reports. It is notable that supply companies do not actively generate information within the social audit reports as disclosures, as often it is conducted by third party. Nevertheless, the supply companies saw social audits as a significant medium they extensively used to convey information, particularly CSR-related corporate governance information, to satisfy the information demands of the powerful stakeholders such as multinational buying companies.

6.2.2 To satisfy low-power stakeholders

In addition to satisfying global societal expectations and the information demand of multinational buying companies, listed companies often disclose some governance information through their annual reports. However, as SEC has limited requirements regarding the disclosure of CSR-related issues through annual reports, some companies provide more information than required by the SEC as they believe that some stakeholders, including NGOs, the media, and other less power stakeholders who do not have access to special purpose reports might use this information.

> *As a listed company, we need to disclose corporate governance information as required by the SEC guidelines. However, we are disclosing some governance*

> *information in addition to the SEC requirement as we believe this would convince our stakeholders about our social performance (Interviewee no. 7).*

These low-power stakeholders are predominantly divided into those who use general purpose reports and those who cannot access special purpose reports such as social audit reports. These stakeholders include NGOs, the media, workers, the government and others. However, as the supply company provide only limited amounts of disclosures, which vary from company to company this does not necessarily satisfy the information demand of the less powerful stakeholders identified above. However, it is somewhat surprising that SEC in Bangladesh does not require any information pertaining to CSR-related governance, although it is a matter of concern for the Western media, NGOs and multinational buying companies. Since SEC or any other government department of Bangladesh does not require any particular CSR-related governance information, there are a series of voluntary governance information disclosures to different organisations which seems to result in inefficient governance reporting. This also implies that if the SEC of Bangladesh began requiring the disclosure of CSR-related governance information in addition to what they currently require, then the other less powerful stakeholders could have access to information from publicly available sources such as annual reports; this would perhaps provide more efficient governance reporting.

In addition, some corporate managers of the garments and textile companies of Bangladesh are now considering the importance of disclosing information to their workers, as they believe the workers are now becoming more aware of their rights and responsibilities and can easily switch between factories, as there is about a 30% labour shortage. However, this statistic regarding worker shortages is a new finding in the textile and garments sector of Bangladesh; researchers such as Belal and Roberts (2010) found that workers are in fact low-power stakeholders because of their abundance. After conducting personal interviews with senior corporate managers it was confirmed that due to an increase in order volume, in the export market and in the shift of Chinese manufactures to Bangladesh, companies need more workers and are currently facing worker shortages:

> *We need to satisfy our workers, while we have 30% workers shortage; we need to take care of our workers. We need to implement labour related issues within our CSR and disclose it in the form of leaflets and brochures so that our workers could know what we are doing for them (Interviewee no. 4).*

Some corporate managers took the labour related issues seriously, as most of the pressures they receive from multinational buying companies are related to workers' health and safety, labour rights and minimum wages. So they thought they should disclose this information via various mediums that are accessible to workers, such as leaflets and brochures. They thought the disclosure of labour-related issues not only satisfies overseas buyers but also provides motivation for workers to become more productive:

> *Our disclosure motive is very clear, the more open you are, it will be more transparent and you will get more incentive out of these from your employees (Interviewee no. 1).*

Although this argument seems to be rhetoric, there were some managers who seemed to be more aware of labour rights than others.

A good number of corporate managers believed they were disclosing CSR-related governance information mainly to satisfy the buyers and then to satisfy their workers. They need to satisfy their buyers in order to get further orders and they need to satisfy their workers to get the orders completed. Some CEOs appeared more careful than others about the workers' rights and provided disclosures in the mediums stated above, regarding their policies on health and safety, working conditions and labour rights; they were motivated to disclose this information to satisfy their buyers as well as their workers. However, as the majority of the workers are illiterate it is hard to believe that workers are really reading that information disclosed in the leaflets or brochures:

> *I have two motivations; first to give the message that I am respecting the workers' rights and second to satisfy the buyers' requirements. So I am disclosing the local labour laws and buyers' code of conduct through a brochure. Brands has specific requirement, and we need to strictly follow these. So all these things we have in our governance practices and we disclose all of this information (Interviewee no. 8).*

We received a different perspective on disclosure of CSR-related governance information from some CEOs who argued that their company did not disclose governance information in the annual reports or in the special purpose reports, but rather disclosed the information at a factory level. They believed the workers as one of the main stakeholders and respected their rights to access the governance information:

> *We are disclosing CSR-related governance information in the factory levels (through leaflets and brochures) and these are available for all the stakeholders including the workers. We believe that if the disclosures are done, people would know about these and these would bring our reputations. Workers are motivated if they know about all these disclosures (Interviewee no. 4).*

These leaflets and brochures basically provide information relating to minimum wages, health and safety policies, particularly the fire safety policy, information relating to maternity leave, child labour and so forth. Most of the factories have all this information available to any visitors or workers interested. However, some CEOs noted that in Bangladesh, most of the garments workers are illiterate, they have no formal education and they come from very rural areas. This means it is less likely that they would go through the disclosures made in the form of leaflets or brochures. In fact, most of the workers are not concerned about the disclosures, but they would be about the practice of those governance polices related to their rights, welfare, and health and safety. Accordingly, some managers thought that they did not need to disclose the governance information at a factory level (in the form of leaflets or brochures), as they believed that their workers were not able to understand these disclosures:

> *Even we have a formal governance practice, often we could not disclose these, because they (the workers) would not understand these and they hardly go through these. However, we are concerned about the governance practices related to CSR and we are conscious about our workers, most of them do not have any formal education. For example, we have a policy that our workers must use the gloves to do electrical functions or when they mix very toxic colours in fabrics; they must wear masks when they do their jobs, they have to wear ear plugs for noise areas, and they must switch on the exhaust fan while working, but they are reluctant. As they do not have the education and they are not aware about the potential danger, they are not following this (Interviewee no. 6).*

So the important point here is that non-disclosure of CSR-related governance information in the available media such as annual reports, or special purpose reports or websites does not necessarily mean that there are no CSR-related governance practices. There are CSR-related governance practices, even if they are not disclosed in the available media. However, supply companies are more likely to disclose this governance information when a particular multinational buying company requires it and use the media preferred by that multinational buying company.

Some managers were motivated to disclose the governance information, as they believed that disclosures help them to get evaluated by their customers and to get their license renewed, as the authority (such as Department of Labour and Employment) is likely to get the up-to-date information about their practices and processes related to CSR:

> *We do some disclosures in our corporate websites, so that our customers could easily evaluate ourselves, and we could get our license renewed, easily from the regulatory body like Department of Labour and Employment as they could get the up-to-date information about our business practices (Interviewee no. 12).*

Website disclosures provide a cost-effective, readily available medium for communicating with everyone who seeks information, and this form of disclosure is particularly suited to situations where a quick response is required (de Villiers & van Staden, 2011). As noted elsewhere in this paper, although web-based disclosures are not very popular in the textile and garments companies of Bangladesh, some corporate managers were motivated to use this medium to get their license renewed[17] or to provide up-to-date information for their buyers.

We also found that some organisations might have CSR practices, but these are not integrated into their corporate governance systems. This means that they do not understand how to integrate CSR with corporate governance. In other words, they tended to focus on CSR generally, rather than having CSR incorporated into their corporate governance systems/processes/structures. Some of our interviewees argued that this mentality needed to be changed, and that it would be possible with the new generation of leaders in business:

> *Changing internal corporate governance practices takes time and truly speaking, in Bangladesh, none would be interested to take the responsibility to come forward that lead changes to CSR and governance practices. But the condition is now improving. The new generation will make the change definitely and will do for the welfare of society as well as for the environment (Interviewee no. 6).*

6.3 Expectation gap

While investigating the potential 'expectation gap' between what less power stakeholders of the textile and garments industry of Bangladesh demand in terms of CSR-related governance information and what corporate managers believe they expect, we found no 'expectation gap'. Corporate managers are in fact well aware of the information demand of the less powerful stakeholders such as NGOs, the media and trade union leaders, but they intentionally provide limited disclosures to satisfy them. This means corporate managers are giving more priority to the multinational buying companies who are their main stakeholders and obviously most powerful stakeholders, and deliberately side-lining the importance of the information demanded by the less powerful stakeholders. However, there is some information gap or communication gap which does not necessarily represent the notion of an 'expectation gap':

> *There is a communication gap or information gap between the (less power) stakeholder's expectations and the factory owners in Bangladesh (Interviewee no. 3).*

This communication gap implies that some stakeholders, such as NGOs, the media and other less powerful stakeholders do not have access to the mediums of disclosure that most of the garments companies of Bangladesh are currently using. It is noted elsewhere in this paper that most of the corporate managers are interested in providing governance information through the special purpose reports, a medium preferred by the powerful stakeholders such as multinational buying companies. However, the less powerful stakeholders who are dependent on general purpose reports can not access these special purpose reports. Of course, as stated in the previous section, workers can access some governance information at a factory level, available in the form of leaflets or brochures; these are limited and most of the factories do

[17] While BGMEA provides the export license to the factories, the Ministry of Labour and Employment provides license to the factory itself and they need to renew the factory license every year after having inspected by the 'factory inspector' of the Department of Labour and Employment.

not have these options. So apparently there is an intentional communication gap. This communication gap leads to a failure to meet particular stakeholders' demands, which does not necessarily represent an 'expectation gap'. Thus, our findings are in contrast with the findings of Deegan and Rankin (1999) and Haque and Deegan (2011), who found that there is an 'expectation gap' between the preparers and users of social information.

6.4 Discussion of the findings

From the above analysis we have documented a number of facts. First of all corporate managers use different mediums to communicate CSR-related governance information such as corporate annual reports, websites, special purpose reports such as social audit reports, and leaflets/brochures. While some of the corporate managers still use annual reports, websites and leaflets/brochures, which are publicly available documents, most of the managers use special purpose reports such as social audit reports, as this is the preferred media for the multinational buying companies who are their powerful stakeholders. However, it is worthwhile to note that multinational buying companies often get this report from a third party, which is not necessarily a form of corporate disclosure. This implies that researchers in SEA need to understand that the traditional medium of information disclosures, such as corporate annual reports could have limited use in particular situations such as in the case of garments companies where there is a need to provide extensive social information and the users of information find special purpose reports (social audit reports) more comprehensive and beneficial than an annual report.

Secondly, CSR-related governance disclosure decisions of corporate managers in a developing country are primarily motivated by the survival of the industry, as managers think they need to comply with global societal/community expectations which would otherwise pose 'legitimacy threats'; most of the corporate managers argued that they were more likely to disclose when their survival was at stake. Kamal and Deegan (2013) found that general CSR disclosures often seem symbolic and are an immediate response to stakeholder pressure, and that if the pressure from powerful stakeholders is sustained, then organisations need to change their corporate governance practices and provide disclosures pertaining to CSR-related governance polices; this paper finds that managers are motivated to provide CSR-related governance polices to overcome that sustained pressure. Thus, consistent with the legitimacy theory perspective, it is found that corporate managers in a developing country context provide CSR-related governance information to overcome the legitimacy threats posed by the legitimacy-conferring stakeholders/society. The global community/stakeholders are not merely happy with so called CSR disclosures in general (Kamal & Deegan, 2013) and want substantive information as well; this information demand drives corporate managers to provide CSR-related governance information. In addition, we have evidence that some corporate managers are motivated to disclose governance information via the publicly available media to be accessed by the low-power stakeholders such as workers, the government, NGOs and the media. However, the information they publicly disclose is less extensive than that in the non-public reports such as social audit reports. Thus, this paper specifically finds that the disclosure of CSR-related corporate governance information is necessary for the survival of the garments industry. So, consistent with the legitimacy theory perspectives, corporate managers are likely to reduce the threat of a potential legitimacy crisis through disclosures (Deegan, 2002). In this case, the corporate managers of Bangladesh have reduced this legitimacy threat through the disclosure of CSR-related corporate governance information.

Thirdly, we have noted that corporate managers are more likely to focus on meeting the expectations of powerful stakeholders regarding CSR-related corporate governance. Most of the managers argued that these powerful stakeholders are the multinational buying companies, as the textile and garments companies of Bangladesh are mostly export-oriented and dependent on these buyers who sell their products. We found that powerful stakeholders get priority in terms of having their expectations fulfilled, generally through disclosures. We note that multinational buying companies, being the most powerful stakeholders for the textile and garments industry of Bangladesh, are more likely to receive the type of information they desire. However, the medium for information disclosures is not always annual reports; on the contrary, it is mostly special purpose reports. Thus we can conclude that in addition to conforming to broader societal expectations, corporate managers are also likely to focus on meeting the expectations of powerful stakeholders regarding CSR-related corporate governance, which is consistent with the positive or managerial branch of the stakeholder theory (Deegan, 2002). As discussed in the theory section, there is some overlapping of the legitimacy and stakeholder theory, mainly due to the 'perception of resolution'. However, by combining both of these theories this paper provides a better picture of corporate reporting of CSR-related governance information. We could also establish an argument that Western buyers who buy from multinational buying companies look at the latter's disclosures as they do not know who the suppliers were. So since multinational buying companies and perhaps BGMEA have legitimacy disclosures (although BGMEA disclosures are probably still aimed at multinational buying company), the disclosures from local supply companies are really more about maintaining support from multinational buying companies than aiming at legitimacy.

Finally we find that there in no expectation gap between what stakeholders demand and what managers believe stakeholders demand, as corporate mangers of the textile and garments companies of Bangladesh actually know what information the stakeholders require and desire. The textile and garments companies of Bangladesh know very well who their stakeholders are and what information they require. For example, the media run stories about the health and safety and working conditions of the factories, NGOs create campaigns about the child labour, and trade union leaders are vocal about the minimum wages or maternity leave. However managers deliberately provide less information to these groups of stakeholders. This implies that these stakeholders are not powerful enough to encourage disclosures and this results in a 'no expectation gap'. However, we do acknowledge that this 'no expectation gap' finding is not consistent with the 'legitimacy theory' perspective, but rather consistent with 'stakeholder theory' perspective.

7. Concluding remarks

In this paper we have investigated the motivation behind corporate managers' disclosure of social responsibility-related corporate governance information. We were interested in investigating why managers of the textile and garments companies of Bangladesh disclose information relating to their corporate governance practices which are integrated with CSR. We conducted 13 interviews with corporate officials of the Bangladeshi textile and garments sector and found that their primary motivation for disclosure was to conform to global societal expectations and to protect the organisation from potential legitimacy threats. In addition, the supply companies were providing reports to satisfy the information demands of powerful stakeholders such as multinational buying companies. Our results are consistent with Crane and Matten (2007), who found that pressure on Nike (sports retail company) from stakeholders compelled them to disclose information about the working conditions, identity and location of their suppliers; Nike was initially reluctant to disclose such information.

The implication of the findings of this paper is applied to corporate managers, multinational buying companies, less powerful stakeholders and the government of Bangladesh, particularly the SEC. Corporate managers could provide a better picture of governance reporting if they considered the information demand of the low-power stakeholders, by either providing them with general purpose reports or access to the special purpose reports. This would then mean that low-power stakeholders, such as the media would get the actual picture and thus be able to run positive rather than negative stories, trade union leaders would know what was actually going on in the factories rather than playing on rumours about non-payment of wages or violation of employment contracts, and NGOs would be aware of the labour practices or human rights issues within the factories.

Corporate managers need to consistently comply with the requirements of the buyers to materialise the prospects that the garments industry of Bangladesh has created in the global market. The findings of this paper could help multinational buying companies to understand that their pressure compels the supply companies to provide a social audit report from a third party auditor which might be unreliable. As there is a cost involved in getting the reports, there is a chance that the supply companies would find the cheapest auditor who presents a poor quality audit; this was found in the case of one of the sourcing factories of Wal-Mart, which had the fire accident resulting in the death of 112 workers recently[18]. To ensure greater reliability, multinational buying companies could have their own social audit teams that investigate and report CSR-related governance policies and procedures at their own cost. Multinational buying companies need to be more proactive in maintaining CSR-related governance policies in their sourcing factories based in developing countries, including Bangladesh, to continue to get the low-cost products for their brands and to uphold their brand's reputation.

The policy maker within the government of Bangladesh could benefit from the findings of this paper, as it clearly indicates that SEC and other government departments such as the Ministry of Labour and Employment, have limited requirements regarding CSR-related governance information, and that companies take this opportunity to disclose less information in publicly available media such as annual reports. If the Ministry of Labour and Employment or SEC provides some mandatory rules to be followed by the supply companies in respect to working conditions, health and safety including fire safety, and human rights issues including child labour related issues, then supply companies would not have a choice in how much governance information they disclosed. Such an action could further strengthen the export of apparels in the global market, with more new investors and customers from overseas.

Thus, based on our findings, it is argued that when an organisation becomes aware of a legitimacy threat and feels pressure from legitimacy conferring stakeholders/society, then they disclose their governance policies in order to avoid any potential legitimacy threats and to satisfy the powerful stakeholders' demands. However, we conclude that the disclosures from local supply companies are really more about maintaining support from multinational buying companies than maintaining legitimacy. Future research could be directed at exploring more insights into this theoretical debate.

[18] Wal-Mart said that it had a third party audit done by a 'reputed social audit firm', but the question remains regarding the quality of that third party audit which did not encourage Wal-Mart to discontinue business with Tazreen Fashions before the fire.

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Appendix (i): List of interview participants

No.	Interview participants	Date of interview
1	Chairman, Sterling Group	December 7, 2011
2	Managing Director, Onus Garments Ltd	December 10, 2011
3	General Manager, Operation, Shanta Garments	December 17, 2011
4	Managing Director, Classic Fashion Concept Ltd.	January 5, 2012
5	Managing Director, Giant Group	January 10, 2012
6	Managing Director, Envoy group	January 15, 2012
7	Chairman and CEO, Desh Group (Desh Garments Limited)	January 18, 2012
8	Vice Chairman, Monno Group of Industries (including Monno Febrics Limted)	January 25, 2012
9	Chairman and Managing Director, Prime Group of Industries (including Prime Textiles Limited)	January 30, 2012
10	Managing Director, Capital Fashions ltd and Capital Designs ltd.	February 2, 2012
11	General Manager, Westecs.	February 5, 2012
12	Managing Director, Eastern Apparels ltd	February 10, 2012
13	Senior Deputy Secretary, BGMEA	February 12, 2012

Appendix (ii): Interview questions

1. What are the key issues pertaining to CSR related governance practices that you think most important for your organization?
2. Have you disclosed those key issues? Why or why not?
3. What are the mediums of disclosures you typically used and why?
4. What is your motivation to disclose governance information?
5. Who determines what disclosures are made?
6. Have you got any pressure from any stakeholders regarding the disclosure of your CSR related governance information? Who are those stakeholders and how they are using the pressure?
7. Do you think corporate regulatory authority (like SEC and BGMEA) needs to make some mandatory guidelines for the disclosure of CSR related governance practices for the textile and garments companies of Bangladesh? Why or why not?
8. Do you think there is an expectation gap between what stakeholders believe you need to disclose and what you are actually disclosing?