Corruption fight in the Czech Republic: sustainability reports evidence

Tomas Kristek
Department of International and Diplomatic Studies, Prague University of Economics and Business, Prague, Czech Republic

Abstract

Purpose – The lack of transparency contributes to the growing corruption problem in various spheres of society. This paper aims to analyse the sustainability report disclosures published by Czech companies in 2021 and registered by the Association of Social Sustainability of the Czech Republic.

Design/methodology/approach – Based on three hypotheses, the relationships between the level of disclosed anti-corruption information and selected variables related to the corporate environment are tested using content analysis and the Mann–Whitney test.

Findings – This paper reveals that Czech firms provide more information if they operate in a higher-risk environment (energy, materials and financial services) or are state-owned (or with a state ownership stake). It also reveals that companies participating in corporate social responsibility (CSR) initiatives (UN Global Compact and Global Reporting Initiative) increase their credibility and social responsibility with more disclosed information.

Research limitations/implications – A limitation of this paper is the smaller number of selected companies matching the chosen criteria. In addition, a certain degree of subjectivity is likely to have manifested in the process of coding the reports and in the use of the content analysis method.

Originality/value – The paper contributes to research that addresses the fight against corruption and CSR issues with a specific study in a small, Central European country and provides new empirical data on the anti-corruption fight problem.

Keywords Corporate social responsibility, Corruption, Transparency, Czech Republic, Sustainability reports

Paper type Research paper

1. Introduction

If companies are to succeed in today’s complex environment, it is not enough to focus on simple solutions. Instead, finding answers means creating solutions that voluntarily integrate the social, environmental and economic interactions of businesses and other...
stakeholders (European Commission, 2001). In other words, it is about engaging the resources, tools, values and know-how known as corporate social responsibility (CSR), not as an option but as a necessity.

This article addresses the issue of corruption as a problem undermining the very idea of responsibility, sustainability and accountability. Different studies define corruption in different ways. Transparency International understands it as “the abuse of entrusted power for private gain” (Errath et al., 2005, p. 7). According to the international standard ISO 26000, corruption includes bribery in both public (public officials) and private spaces (conflicts of interest, fraud, money laundering and influence peddling) (ISO, 2010). A more comprehensive definition takes into account the fact that corruption is not a unidirectional process but consists of:

[...] the act or effect of handing over or accepting a thing of value in order for a person to do or omit to do something, in violation of a formal or implicit rule about what that person should do or omit to do, for the benefit of the person handing over the thing of value or a third party. (Argandoña, 2005, p. 252).

Despite the different definitions, the literature agrees on two critical characteristics attributed to corruption in the context of social accountability: the difficulty of detection and the de facto impossibility of measurement (Branco and Matos, 2016; Coulmont et al., 2017; Roberts, 2014; Sari et al., 2021). What can be detected and subsequently measured are the consequences: restriction of the right to equal treatment, theft of public funds, paralysis of economies and reduction of competitiveness, reduction of trust and legitimacy of the market environment, creation of an environment tolerating organised crime, among others (Stehnová et al., 2019). Given these manifestations and harms, such behaviour is incompatible with social responsibility and sustainability. Therefore, rejecting and combating corruption is a prerequisite for any sustainable development. In other words, “[...] practices that enforce anti-corruption norms are a promising tool for addressing the problem of corruption” (Rodriguez et al., 2006, p. 739).

Companies often communicate information about CSR and sustainability programmes, systems and/or training through sustainability reports. The current format and content of the reports have undergone significant changes. More comprehensive sustainability reporting has evolved from pure environmental reporting at the end of the 20th century. They include social, environmental and economic aspects. Although corruption at the end of 20th and in the early 21st century was no less dangerous than today, the fight against corruption is still an add-on rather than a full-fledged component. For example, the Global Reporting Initiative (GRI) only introduced anti-corruption indicators in the second version of the Sustainability Reporting and Accountability Guidelines in 2002. The UN Global Compact added the anti-corruption principle only in 2004. Both initiatives commit participants to avoid bribery, extortion and other forms of corruption. They also encourage the active development of policies and specific programmes to address corruption within companies and their supply chains (UNGC, 2023).

Researchers’ gradually growing interest is expanding the understanding of sustainable reporting through empirical studies. However, the literature still provides evidence of its unsatisfactory state. Although the topic of corruption is gaining in importance, precisely because it permeates social structures often unnoticed, the topic has been given relatively marginal space (Branco and Delgado, 2012; Coulmont et al., 2017; Gordon and Wynhoven, 2003; ElAlfy and Weber, 2019; Hills et al., 2009; Lopata et al., 2016; Novethic/SPC, 2006; Sari et al., 2021; Transparency International, 2009, 2014).
2. Literature review

Unlike environmental reporting, which can be traced back to the 1980s, for example, in conjunction with the mandatory reporting of quantitative emissions data for the Toxics Release Inventory (TRI) system (Davis-Walling and Batterman, 1997, p. 865), anti-corruption reporting still does not have such a rich history. This is due to the characteristics mentioned above, its hiddenness and difficulty in measuring, its breadth, complexity and lack of emotional weight, such as environmental or social issues. Once the guidelines (especially in the form of CSR initiatives) to help companies get it right when reporting on anti-corruption practices, education and support systems were introduced, the number of studies focusing on this area began to grow. However, the still small number gives credence to the difficulty of breaking the “deliberate silence” indicating the sensitivity of the topic and the often negative consequences for corporate reputation (Wilkinson, 2006).

Gordon and Wynhoven (2003), based on an analysis of information from the 100 largest non-financial multinationals on the United Nations Conference on Trade and Development list, conclude that only 12% of companies included some report on corruption performance on their websites in addition to information on anti-corruption materials. In response to the question of why corruption reporting is insufficient, as opposed to environmental reporting, they state that:

- while in the case of the latter, there are well-developed reporting standards, in the case of the former, rather none or little; and
- companies prefer environmental reporting, presenting a positive image to partners and civil society, simply because they see few “benefits” in reporting corruption.

The first reason seems false given the existing standards [United Nations Global Compact (UNGC), GRI, UN Convention against Corruption]. However, the second reason remains still relevant and vital for non-disclosure.

According to Novethic’s study of French multinationals in 2004 and 2005, controlling corruption “in general” does not yield satisfactory results in reporting and addressing sources of corruption (Novethic/SCPC, 2016). As with Gordon and Wynhoven, it appears that only a fraction of companies (only 20%) provide sufficient information either by implementing a standard or by own regulations. A more specific and detailed form of reporting can be found mainly in companies operating in corruption-sensitive sectors (e.g. arms or chemicals) and in areas under the supervision of some public authority (e.g. the provision of a public service or public procurement). These factors may include the type of country in which the company operates and its Corruption Performance Index (CPI) published by Transparency International and the volume of contracts traded in the relevant markets.

In 2009, Transparency International (TI) published the results of an analysis of publicly available documents of almost 500 world’s largest publicly traded companies. The study examined whether these companies have strategies, policies and management systems to combat bribery and corruption (Transparency International, 2009). TI found that while companies report having high-level anti-bribery and corruption management policies, they do not have management systems. This finding is consistent with the assertion that anti-corruption reporting has only a few benefits. Of the total sample, only seven companies received the highest rating (five stars on the rating scale), while 151 were given the lowest rating (one star).

With the introduction of the UNGC Anti-Corruption Principle in 2004, Coulmont et al. (2017) examine the implications of implementing this principle for signatory companies. They draw on the core requirements of the UNGC, namely a description of the practical
measures that the company has taken or plans to take to implement the ten principles in each of the four areas (human rights, labour, environment and anti-corruption). The crucial issue is the measurability and consistent presentation to stakeholders and the public of progress towards the ten principles and the SDGs (UNGC, 2023). In terms of signalling theory, it is explained that companies join the UNGC to benefit from the recognition associated with a third-party organisation and its international reputation. Of the 220 companies, only 36 (16% of the sample) have fulfilled the annual obligation to publish a Communication on Progress (COP), and indicated specific management systems and policies in the areas concerned (including corruption). 94% of the companies indicated that they had implemented the UNGC’s anti-corruption principles in their code of ethics, and half of them have additionally implemented other international standards or specific procedures (internal auditing, hotline, additional training). However, the study concludes, along the lines of criticism of the UNGC (Berliner and Prakash, 2015), that companies’ inconsistent approach to complying with UNGC requirements leads to a disconnect from reality and merely improves the public image.

Based on the global reporting initiative G4 guidelines indicators, Sari et al. (2021) measure the extent of anti-corruption reporting in 117 companies in the association of southeast Asian nations region. The research reveals a significant variation in the extent of disclosure. Participation in international initiatives (e.g. UNGC or GRI) is not a sufficient incentive to disclose information related to corruption and anti-corruption. Voluntary disclosure of potential corruption cases is subject to careful assessment by senior management, because such information is sensitive, may lead to legally actionable conduct and negatively affects reputation.

3. Hypotheses

Based on the legitimacy theory, companies publish sustainability and responsibility reports to present their image and legitimacy of behaviour to stakeholders (Bitektine et al., 2020; Lange et al., 2011). Thus, companies are forced to reflect the expectations of these parties to achieve social legitimacy, i.e. “social judgements of appropriateness, acceptability and desirability” (Zimmerman and Zeitz, 2002, p. 418). From the perspective of this theory, CSR can be seen as a strategy for companies to gain acceptance and approval of their activities to meet expectations of how their activities should be conducted and with what consequences for society and the environment. Reporting is, therefore, a tool that helps to gain and maintain legitimacy as a status, and at the same time, influence public opinion (these are so-called legitimation strategies) (Vaara and Tienar, 2008). In this case, reporting can be seen as a means of company communicating tool (inside and out) with the ability to convince that its activities are suitable and desirable.

This section identifies the characteristics that can influence Czech firms’ anti-corruption reporting and draws hypotheses from them. As it is impossible to model all conceivable relationships, the paper focuses on those central to the debate on corruption reporting and the fight against corruption.

3.1 Industry affiliation

In line with the legitimacy theory, belonging to a particular industrial activity is related to social responsibility. Depending on the nature of the activity and its impacts (e.g. an environmental, social or public image), a distinction can be made between those that are visible to the public, i.e. with higher levels of disclosure, and those that do not voluntarily disclose this information (Haniffa and Cooke, 2005). At the same time, it can be assumed that companies operating in sectors with a higher risk of corruption (e.g. basic materials or
utilities) are subject to a higher level of public pressure to disclose complete information, including disclosed corruption, anti-corruption programmes or systems:

**H1.** It is assumed that there is a relationship between a company’s affiliation with a particular industry and the information disclosed about corruption.

### 3.2 Ownership

Some studies analyse the relationship between ownership and the form of information disclosed (Adams and McNicholas, 2007; Kumar et al., 2022; Soliman et al., 2013). Because the public indirectly owns state-owned companies, their existence and reputation depend more on political and social support than privately owned ones. For this reason, they will also face more public pressure on the form and level of information disclosed and provide some assurance that the company is acting transparently and responsibly. State-owned companies are thus forced to incur additional costs associated with providing additional information and the social activities in which they present a positive image (Ghazali, 2007; Soliman et al., 2013; Tagesson et al., 2009):

**H2.** State-owned companies are expected to disclose more anti-corruption information than private ones due to political and social pressure.

### 3.3 CRS initiatives membership (UNGC, GRI)

Studies by Coulmont et al. (2017) and Sari et al. (2021) examine whether membership in the UNGC and GRI CSR initiatives has an impact on the level and extent of disclosure and whether firms outperform conventional industry- and country-specific reporting standards with the help of these initiatives. Both studies conclude that the available reports focus more on environmental and social issues for workers. At the same time, a discrepancy is revealed between country and sectoral structure and the extent to which companies have or have not chosen to report and substantiate their concerns in their reports. For the sample of Czech companies, both initiatives are chosen simultaneously to increase the number of occurrences in the sample and achieve higher relevance of the results. Separately, the initiatives are negligible.

The issue of corruption has become one of the key areas where membership in CSR initiatives can be expected to impact the level and quality of information disclosed positively. Signatories provide more publicly available information relative to anti-corruption policies and management systems as a communication strategy to legitimise the impact of their activities (Zimmerman and Zeitz, 2002):

**H3.** It is assumed that membership in CSR initiatives (UNGC, GRI) positively motivates companies to disclose information about anti-corruption practices to a greater extent.

### 4. Methodology

#### 4.1 Sample

The sample includes sustainability and responsible business reports registered with the Association of Social Responsibility (ASS) for the year 2021. ASS is a non-profit company supporting social responsibility and sustainable business in the Czech Republic. It brings together and connects corporate, non-profit, education and public organisations. Out of a
total of 514 companies (as of 31 December 2021), only Czech companies that provided sufficient information for this study were included in the sample for the period 2021. Non-Czech companies, subsidiaries operating in the Czech Republic but related to a parent in another country, were excluded. The final sample includes 54 companies, i.e. 54 sustainability reports. Table 1 provides a list by sector represented in the sample.

The breakdown of companies by industry is based on the Global Industry Classification Standard industry benchmark classification by Morgan Stanley capital international and Standard & Poor’s for use by the global financial community. Its structure comprises 11 sectors, 25 industry groups, 74 industries and 163 sub-sectors. Of the 54 companies, seven are in the public sector (13%), and 47 are in the private sector (87%). A total of seven companies are state-owned or state-participating. The most significant number of companies are in the materials and capital goods sector (17, i.e. 31.5% of the total). The second largest sector is Food, Beverages and Tobacco Products (9, i.e. 16.7%). The third largest sector is jointly automotive, components and transportation and software and services (6, i.e. 11.1%).

4.2 Data

Content analysis is used to capture the information published by Czech companies about the anti-corruption fight. Due to the nature of this study, it is an analysis that consists in detecting the “presence” (1) or “absence” (0) of information (phenomenon) on anti-corruption fight. “Presence” is defined as the occurrence of at least one piece of information (phenomenon). A significant advantage of this method is the possibility of comparing a large and diverse amount of information across different actors. However, one of the main shortcomings is that it does not allow to measure the extent of the information disclosed. That means that we register the presence or absence of information. However, we are not able to read from the data the importance that companies attach to each piece of information (phenomena) (Neuendorf, 2017).

The Novethic/SCPC (1996) study defined six categories relating to the disclosure and measurement of anti-corruption information:

1. commitment to anti-corruption – essentially mentioned in company codes of ethics or codes of conduct, membership of the UNGC and reference to the tenth principle;
2. an internal organisation of the fight against corruption – this includes the establishment of an ethics committee, creating a dedicated manager or service, involving a whistleblowing system;
3. exposure to risk – ability to assess risks in potential corruption-prone areas, development of policies for high-risk areas;

<table>
<thead>
<tr>
<th>Sector</th>
<th>No.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>2</td>
<td>3.7</td>
</tr>
<tr>
<td>Materials, capital goods</td>
<td>17</td>
<td>31.5</td>
</tr>
<tr>
<td>Automobiles, components, transportation</td>
<td>6</td>
<td>11.1</td>
</tr>
<tr>
<td>Consumer discretionary</td>
<td>5</td>
<td>9.3</td>
</tr>
<tr>
<td>Food, beverage, tobacco</td>
<td>9</td>
<td>16.7</td>
</tr>
<tr>
<td>Financial services</td>
<td>5</td>
<td>9.3</td>
</tr>
<tr>
<td>Software, services</td>
<td>6</td>
<td>11.1</td>
</tr>
<tr>
<td>Media, entertainment</td>
<td>4</td>
<td>7.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>54</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 1. Companies by sector

Source: All tables created by author
implementation procedures relating to staff – provision of anti-corruption training and communication;

(5) implementation procedures regarding suppliers and other business partners – measures taken to support anti-corruption commitments, training and monitoring systems; and

(6) initiatives in partnership with NGOs and other organisations.

5. Results and discussion

5.1 Descriptive analysis

The analysis shows that the Czech companies in the sample disclose information on anti-corruption. In the year under review, based on the categories assessed, at least one piece of information related to anti-corruption was published in 82%. That shows a general awareness of corruption as a problem, the importance of the fight against it and a deeper understanding of the problem by companies disclosing additional information (13%, mainly state-owned or state-owned companies). Table 2 summarises the results in each Novethic/SCPC category.

The categories in which there is a higher level of disclosure of anti-corruption-related information are mainly commitment to fighting corruption (72%), exposure to risk (48%) and internal organisation of the fight (43%). Category four, in particular, lags behind. Surprisingly, only ten companies in the selected sectors provide implementation principles related to employees. Low corruption and communication education is itself an inherent risk that facilitates corruption and collusion. The main sectors disclosing information are energy, materials and capital goods, financial services and media and entertainment. Companies that disclose less information include those belonging to consumer discretionary, food, beverage, tobacco and software and services (Table 3).

A selected set of companies influences the shape of the results. Similarities can be found in comparison with the Novethic/SCPC (1996) study. However, in part, the study differs from the French companies in each category (in terms of the share of a particular industry and still due to the transition from a planned to a market economy). The different aspects can be described as:

- Companies accept the commitment category to fight corruption as basic; therefore, more information is also disclosed in this area. In contrast, less information is provided in the category of implementation practices related to employees and cooperation in partnership initiatives with NGOs and other organisations.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Category 1</th>
<th>Category 2</th>
<th>Category 3</th>
<th>Category 4</th>
<th>Category 5</th>
<th>Category 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Materials, capital goods</td>
<td>17</td>
<td>12</td>
<td>7</td>
<td>8</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>Automobiles, components, transportation</td>
<td>6</td>
<td>4</td>
<td>2</td>
<td>5</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Consumer discretionary</td>
<td>5</td>
<td>3</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Food, beverage, tobacco</td>
<td>9</td>
<td>6</td>
<td>4</td>
<td>3</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Financial services</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Software, services</td>
<td>6</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Media, entertainment</td>
<td>4</td>
<td>4</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Total (%)</td>
<td>54</td>
<td>39 (72)</td>
<td>23 (43)</td>
<td>26 (48)</td>
<td>10 (19)</td>
<td>17 (31)</td>
</tr>
</tbody>
</table>

Table 2. Anti-corruption disclosure scores

Source: All tables created by author
Alongside consumer discretionary and software and services, food, beverage and tobacco can also be counted among the sectors that disclose less information. Therefore, the study shows similar results.

Although companies owned by the state or at least with a state share (7 out of 54 in total) have, on average, a higher level of disclosure (3.83) than those in private ownership (3.67). It seems that the difference is not significant in terms of the classification of the form of ownership for Czech firms (Table 4). On closer examination of the individual reports and the Czech business environment, this result is because state-owned enterprises (or those with state participation) disclose, in principle, the information required by Czech legislation. On the other hand, private enterprises take care of a good image and voluntarily disclose more information.

In the context of companies’ membership in CSR initiatives (UNGC, GRI), the assumption that these companies will report more anti-corruption information than non-member companies is confirmed. Table 5 documents the differences in mean and median between the two groups.

5.2 Main results analysis
A non-parametric Mann–Whitney ordinal test is used to examine the relationship between the dependent variables and anti-corruption reporting. This method can be used to compare

<table>
<thead>
<tr>
<th>Sector</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>5.00</td>
</tr>
<tr>
<td>Materials, capital goods</td>
<td>5.00</td>
</tr>
<tr>
<td>Automobiles, components, transportation</td>
<td>3.24</td>
</tr>
<tr>
<td>Consumer discretionary</td>
<td>0.33</td>
</tr>
<tr>
<td>Food, beverage, tobacco</td>
<td>1.56</td>
</tr>
<tr>
<td>Financial services</td>
<td>4.75</td>
</tr>
<tr>
<td>Software, services</td>
<td>0.75</td>
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<tr>
<td>Media, entertainment</td>
<td>3.96</td>
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</table>

Source: All tables created by author

<table>
<thead>
<tr>
<th>State-owned</th>
<th>No.</th>
<th>Average</th>
<th>Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>7</td>
<td>3.83</td>
<td>5.00</td>
</tr>
<tr>
<td>No</td>
<td>47</td>
<td>3.67</td>
<td>3.00</td>
</tr>
<tr>
<td>Total</td>
<td>54</td>
<td>3.90</td>
<td>4.00</td>
</tr>
</tbody>
</table>

Source: All tables created by author

<table>
<thead>
<tr>
<th>CSR initiative (UNGC, GRI)</th>
<th>No.</th>
<th>Average</th>
<th>Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>13</td>
<td>5.46</td>
<td>5.00</td>
</tr>
<tr>
<td>No</td>
<td>41</td>
<td>3.31</td>
<td>3.00</td>
</tr>
<tr>
<td>Total</td>
<td>54</td>
<td>3.90</td>
<td>4.00</td>
</tr>
</tbody>
</table>

Source: All tables created by author
statistical data where the probability distribution of the characteristic of interest cannot be assumed to be normally distributed (the random variable has an unknown distribution that cannot be characterised by the parameters \( \mu \) and \( \sigma \)). The results are summarised in Table 6.

This paper hypothesises in three hypotheses that industry affiliation (\( H_1 \)), company ownership by the state (or at least with state participation) (\( H_2 \)) and membership in a CSR initiative (UNGC, GRI) (\( H_3 \)) affect the level of anti-corruption disclosure. The Mann–Whitney test did not reject the hypotheses. The non-rejection of the hypotheses suggests that companies whose activities are associated with higher levels of surveillance (associated with higher levels of risk and state ownership) show a higher interest in publishing their results on anti-corruption and disclose more information. The same conclusion applies to participation in CSR initiatives (UNGC, GRI). Added to this is that companies publish reports on sustainable and responsible business in terms of presenting their image and the legitimacy of their behaviour to stakeholders (Bitektine et al., 2020). These results are also consistent with previous studies (Branco and Delgado, 2012; Branco and Matos, 2016; Coulmont et al., 2017; Lopata et al., 2016; Sari et al., 2021) and with the findings of Transparency International (2009, 2014).

In particular, the ownership of the state (or at least its partial participation in the ownership structure) is a vital determinant of the level and quality of information disclosed. The study contributes new empirical evidence from the small, transition economy of a Central European state and supports the importance of the nature of ownership in explaining anti-corruption disclosure (Ghazali, 2007; Soliman et al., 2013; Tagesson et al., 2009). On the one hand, in the Czech post-communist business environment, it is possible to observe an increasing effort to liberalise the ownership structure and the transition to private ownership (this tendency is most evident in the 1990s with the so-called coupon privatisation); on the other hand, in the context of the fight against corruption, it is possible to observe the state’s effort to become more involved in the ownership structure of companies of strategic importance for the state (energy, public communications and network construction, e.g. the Road and Motorway Directorate which is to be transformed into a state-owned enterprise).

6. Conclusion
Corruption is a problem that undermines sustainability and accountability and is an obstacle to both social and economic development. Including anti-corruption systems, programmes, training and other activities is a tool that helps make corporate behaviour more transparent and legible in the broader environment. Sustainability reporting is a communication vehicle through which companies declare commitment and present results. Although it still appears insufficient regarding the amount of information provided, it is increasingly necessary. It gradually becomes a prerequisite for good, mutual business and social relations.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Asymptotic significance (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry affiliation</td>
<td>0.0843</td>
</tr>
<tr>
<td>State-ownership</td>
<td>0.0271</td>
</tr>
<tr>
<td>CSR initiative (UNGC, GRI) membership</td>
<td>0.0256</td>
</tr>
</tbody>
</table>

**Source:** All tables created by author

Table 6. Mann–Whitney Test
This paper examines the extent of anti-corruption disclosure by Czech companies led by the Association of Social Responsibility for 2021. The critical question is whether and to what extent companies disclose their anti-corruption programmes, strategies and policies and whether they have anti-corruption management and training systems in place. The research is based on legitimacy theory, which posits that disclosure of anti-corruption information increases the credibility of companies with their stakeholders. As a result, companies present a socially responsible image and legitimise their behaviour to stakeholders. The findings presented in this paper confirm this assumption. Furthermore, companies operating in more risky environments regarding corruption (energy, materials and financial services) or companies with a specific ownership structure (state-owned) generally disclose more anti-corruption information. The reason for this is, on the one hand, to increase legitimacy, enhance the image and social responsibility, including through involvement in CSR initiatives (notably UNGC and GRI), and on the other hand, to fulfil a legal obligation.

An unpleasant finding is that Czech corporate anti-corruption reporting lacks sufficiently detailed information (programmes, management systems and training) that does not allow for the detection of the more hidden forms of corruption or allows for it, even though Czech companies have committed to providing this information to the broadest extent possible. This finding has severe implications in several areas: the credibility of anti-corruption reporting, the enforceability of commitments when they are not honoured, the continued promotion of a culture of corruption across the economy and last but not least, the negative impact on Czech civil society’s trust in the rule of law.

In the Czech environment, this is a specific study or one of the initial probes dealing with research on anti-corruption reporting. It is, therefore, a kind of “first try” and does not lack certain limitations. These can mainly be seen in the limited sample of companies included in the research, the limited method of data collection, the “coarser” sectoral classification framework and the state-of-the-art nature of the study (i.e. to a specific year). Nevertheless, this article provides empirical data on anti-corruption reporting and contributes to a stream of research that is becoming increasingly important. On the one hand, it is a concrete avenue of research that helps to compare anti-corruption reporting practices across countries; on the other hand, in light of the increasing demands and requirements for transparency in reporting, it seems appropriate to assume a particular type of evolution consisting not only in the scope of published reports (in terms of a number of pages), but especially in the analysis of the determinants that enable, limit or completely prevent corruption across society.

References


About the author
Tomas Kristek, The author is a third-year PhD student at the Faculty of International Relations, the Prague University of Economy and Business. His research specialises in the Visegrad Group countries’ application and implementation of CSR models, especially the UN Global Compact Model. He has published an article on this topic in the peer-reviewed international conference proceedings Central and Eastern Europe in the Changing Business Environment at the international conference in Bratislava (included in the WoS database). He also co-authored a book chapter on Tertiary Education Affordability and Accessibility in Visegrad Group Countries. Tomas Kristek can be contacted at: xkrit13@vse.cz

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