Zeszyty Teoretyczne Rachunkowości
2025, Vol. 49, Nr 4, s. 231–252
https://doi.org/10.5604/01.3001.0055.4531
Stowarzyszenie Księgowych w Polsce

Integrating corporate social responsibility into internal decision-making in leading retail chains in Lithuania: A responsibility accounting perspective

Integracja społecznej odpowiedzialności biznesu z procesami decyzyjnymi w wiodących sieciach handlu detalicznego na Litwie: perspektywa rachunkowości odpowiedzialności

GINTARĖ ŠPOGIENĖ*, DAIVA TAMULEVIČIENĖ**, KRISTINA RUDŽIONIENĖ***

Received: 30.06.2025 – Revised: 18.09.2025 – Accepted: 29.09.2025

Abstract

Purpose: To reduce the informational noise caused by excessive corporate social responsibility (CSR) disclosures and to enhance the transparency of CSR integration into business processes, this paper proposes a framework for integrating CSR into the responsibility accounting and reporting (RAR) process.
Methodology/approach: The study analyses publicly available sustainability reports and other CSR-related digital content as evidence of socially responsible behaviour. It also examines how CSR is integrated into internal accountability processes through in-depth interviews with selected employees.
Findings: The research reveals that growing volumes of data and selectively disclosed information obscure potential issues. To support more transparent managerial decision-making, RAR must be adapted to include stakeholder impact assessment and to categorise decisions into financial, philanthropic, and socially responsible types.

* Gintarė Špogienė, Vilnius University, Faculty of Economics and Business Administration, Department of Accounting and Audit, Lithuania, https://orcid.org/0009-0000-0012-4351, gintare.spogiene@evaf.stud.vu.lt

** Daiva Tamulevičienė, PhD, Vilnius University, Faculty of Economics and Business Administration, Department of Accounting and Audit, Lithuania, https://orcid.org/0000-0003-3025-9841, daiva.tamuleviciene@evaf.vu.lt

*** Prof. Kristina Rudžionienė, PhD, Vilnius University, Kaunas Faculty, Institute of Social Sciences and Applied Informatics, Lithuania, https://orcid.org/0000-0001-8111-5675, kristina.rudzioniene@knf.vu.lt

ISSN 1641-4381 *print* / ISSN 2391-677X *online*

Research limitations/implications: The subjectivity of respondents may limit the comprehensive assessment of all CSR dimensions and their integration into internal processes.
Originality/value: This study highlights a disconnect between externally disclosed CSR information and that used in managerial decision-making. Such inconsistency risks undermining the essence of CSR, increases administrative costs, and complicates ethically grounded governance. Enhancing transparency requires alignment between declared and practised CSR information.
Keywords: CSR, sustainability reporting, responsibility accounting, management accounting, stakeholders.

Streszczenie

Cel: W celu ograniczenia szumu informacyjnego spowodowanego nadmiernymi ujawnieniami dotyczącymi CSR oraz zwiększenia przejrzystości integracji CSR w procesy biznesowe, w artykule zaproponowano ramy integracji CSR z procesem rachunkowości odpowiedzialności i sprawozdawczości (RAR).
Metodyka/podejście badawcze: Badanie analizuje publicznie dostępne raporty zrównoważonego rozwoju oraz inne treści cyfrowe związane z CSR jako dowody odpowiedzialnych społecznie działań. Ponadto weryfikuje sposób integracji CSR z wewnętrznymi procesami rozliczalności poprzez pogłębione wywiady z wybranymi pracownikami.
Wyniki: Analiza ujawnia, że rosnąca ilość danych oraz wybiórczo ujawniane informacje przesłaniają potencjalne problemy. Aby wspierać bardziej przejrzyste podejmowanie decyzji menedżerskich, proces RAR musi zostać dostosowany do uwzględnienia oceny wpływu interesariuszy oraz do kategoryzacji decyzji na finansowe, filantropijne i społecznie odpowiedzialne.
Ograniczenia/implikacje badawcze: Subiektywizm respondentów może ograniczać pełną ocenę wszystkich wymiarów CSR oraz ich integracji z procesami wewnętrznymi.
Oryginalność/wartość: Badanie podkreśla rozdźwięk między zewnętrznie ujawnianymi informacjami CSR a wykorzystywanymi w procesie podejmowania decyzji menedżerskich. Taka niespójność grozi podważeniem istoty CSR, zwiększa koszty administracyjne oraz komplikuje etycznie ugruntowane zarządzanie. Zwiększenie przejrzystości wymaga dostosowania i spójności między deklarowanymi a praktykowanymi informacjami CSR.
Słowa kluczowe: CSR, raportowanie zrównoważonego rozwoju, rachunkowość odpowiedzialności, rachunkowość zarządcza, interesariusze.

Introduction

An increasing number of civil society activists, associations, non-profit organisations, and business consultants are working toward making corporate social responsibility accountability more public, accessible, measurable, and transparent. Digitalisation and artificial intelligence offer opportunities to process and systematise information efficiently. When appropriately applied, modern tools can help steer processes toward socially responsible business practices. However, the concept of corporate social responsibility (CSR) remains highly debated and subject to varied interpretations.

The European Union's (EU) Corporate Sustainability Reporting Directive (CSRD) and its accompanying European Sustainability Reporting Standards (ESRS) remain in a state of active revision. Throughout 2025, the European Commission and the European Financial Reporting Advisory Group (EFRAG) have issued transitional reliefs and proposed simplified standards to reduce reporting burden, while political discussions about the scope and timing of the rules continue. These developments mean that companies already subject to CSRD are preparing their first reports under evolving requirements, making the topic both practically and academically relevant as an example of a major sustainability reporting regime still in flux.

Accountability to society is gradually becoming an integral part of contemporary business development. Yet, what is presented to the public does not always reflect what is valued or prioritised by company leadership. Internal systems of responsibility accounting and reporting (RAR) are often veiled in secrecy, making it difficult to uncover the challenges businesses face in balancing competing stakeholder interests.

CSR is currently a widely discussed and relevant topic. Over the past decades, scholars have extensively analysed CSR from multiple perspectives, emphasising its societal importance, exploring its impact on corporate financial performance, the factors that influence CSR disclosure, and how to measure it (Benabou, Tirole, 2009; Durmaz et al., 2011; Navickas, Kontautienė, 2011; Simanavičienė et al., 2012; Baden, 2016; Leitonienė, Šapkauskienė, 2016; Gallagher et al., 2018; Csikósová et al., 2020; Glanze et al., 2021; Rudžionienė, Gedutienė, 2022; Balcerzak et al., 2023; Buertey et al., 2023; Fatima, Elbanna, 2023; Zhang et al., 2025, and others). CSR is often treated as a promotional business card or image-building strategy aimed at improving profitability, with frequent discussions surrounding its meaning, value, and application.

It is worth noting that CSR disclosure in financial reports is becoming a common practice. However, most researchers focus on the impact of such disclosures on external stakeholders. Less attention has been given to how CSR influences internal decision-making or how it is integrated into the RAR processes. Some fragmented studies explore CSR integration into management accounting (Won Kim, Matsumura, 2017; Hosoda, 2018; Ahmad, Zabri, 2023; Onwuzulike et al., 2024), but they lack detailed insights into the specific steps of integration or which area of management accounting should be "responsible" for addressing CSR issues.

Given that RAR – a key area of management accounting - provides information on each employee's responsibilities and contributions toward organisational goals, including those related to social responsibility, it is appropriate to explore CSR integration into the RAR process.

RAR has been widely examined by scholars in recent decades (Mackevičius, 2004; Kanapickienė, 2009; Gliaubicas, 2012; Kren, 2016; Mackevičius et al., 2016; Mahmud et al., 2018; Zureich, 2023; Yasar, 2024; Lingnau, 2024; Odonkor et al., 2024; and others), with research focusing on control principles, the importance of planning and accountability, accounting evolution, and the ongoing development of tools and methods influenced by digitalisation and automation. Essentially, RAR research has primarily aimed at improving efficiency, financial outcomes, and company value by providing timely, relevant, and high-quality information to decision-makers.

Since the integration of CSR into the RAR process remains an underexplored topic, this study seeks to rethink these processes and explore ways to incorporate CSR assessment into internal managerial decision-making. The study focuses on Lithuania's retail sector, which generates one of the highest shares of value added in the Baltic region.

Data were collected and analysed from five major Lithuanian retail chains that dominate the national retail market by using a qualitative research approach. The study analyses CSR expression in external CSR communication and reporting, followed by interviews with seven respondents to assess current corporate practices of integrating CSR into internal management and accountability processes. The first research question (RQ1) examines the potential gap between publicly disclosed CSR information and the information used in managerial decision-making. The second research question (RQ2) assesses whether current RAR systems are suitable for CSR evaluation and provides proposals to reduce CSR communication noise and improve transparency in decision-making processes by rethinking the RAR process framework.

This article aims to reduce informational noise from excessive CSR disclosures and improve transparency by proposing a framework for integrating CSR into RAR. To achieve this, it first outlines the theoretical background and two research questions, then presents the methodology for examining CSR in public communication, internal accountability and its integration into RAR, and finally discusses findings and introduces the proposed CSR-integrated RAR framework.

The paper is structured as follows: first, we present the theoretical background and research questions. Then, we describe the methodology and analyse CSR in both external communication and internal decision-making. Finally, we propose an improved RAR framework and conclude with key insights and future research directions.

1. Theoretical and conceptual background

CSR today is inseparable from the strategy of large businesses. However, Terec-Vlad et al. (2017) note that many corporate executives consider themselves socially responsible (often for external reasons), although in reality, they are not. Therefore, it is essential to integrate CSR into a company's internal decision-making by adapting the structure of RAR accordingly.

Kurowski and Huk (2021) identify the core aspects of CSR as activities that aim to maximise non-profit contributions, considering the needs of various social groups beyond shareholders. They also highlight every organisation's duty to adhere to moral and social standards throughout all operational stages, voluntarily addressing social issues and thus strengthening society.

Despite rising expectations and external pressure to meet higher CSR standards, many companies misunderstand the role of socially responsible business or selectively apply CSR principles only in areas that are convenient for them. This indicates that CSR is often perceived more as a marketing tool or a way to enhance corporate image for profit maximisation, rather than a genuine attempt to address social and environmental issues (Simanavičienė et al., 2012). Such a perspective increases the risk of CSR being reduced to mere imitation. As Awa et al. (2024) aptly noted, "Corporate sustainability is only guaranteed in the 21st century if undiluted attention is paid to the opinions and demands of the various stakeholders, and attempts are made to factor them into the decision-making process".

To make CSR an integral part of business development, a socially responsible perspective must be incorporated into the RAR system – the system on which managerial decisions are based. This process must be adapted to include stakeholder interests in decision-making.

Traditionally, businesses rely on a classical RAR system, which is grounded in the principle of decentralisation, assigning each individual responsibility only for the areas they can control. Kingsley et al. (2014), in their analysis of RAR, note that decentralisation is more evident in profit-oriented organisations. Its positive impact on planning and control includes flexibility, clearer communication, better-trained lower-level staff, higher motivation among mid-level managers, and faster decision-making. However, they also note potential drawbacks: friction may arise between departments, especially when outcomes are interdependent; duplication of efforts may occur; information flow may become more complex, increasing costs; and managers may adopt narrow thinking, focusing solely on their unit's results. These issues emphasise the importance of accurate accounting and reporting procedures.

While the principle of control states that employees should not be held accountable for activities outside their control, Zureich (2023) challenges this notion. He argues that holding employees accountable for actions beyond their direct control can actually lead to better decision-making. Organisations heavily invest in IT systems such as enterprise resource planning (ERP), which provides access to information beyond employees' immediate responsibilities. Even when such information is not used for performance evaluation, it can support improved decision-making within their areas of responsibility.

When implemented successfully, RAR systems yield measurable results. Tran et al. (2022) examined the impact of RAR implementation on the performance of publicly listed companies in Vietnam and found a direct positive correlation. The key success factors identified were profitability, growth rate, and market value – all focused on financial outcomes. It is likely that CSR factors could also be successfully integrated into RAR, enhancing performance if social responsibility elements are included.

RAR systems and their main components – planning, control, feedback, and decision-making – have been studied for decades. These systems link costs or revenues to specific responsibility centres, allowing direct attribution of results to the accountable managers. A well-established and widely applied RAR structure in the business world is presented by Mackevičius et al. (2016). It comprises six elements that are further divided into specific actions: 1) analysis and reorganisation of the management structure; 2) definition of RAR goals; 3) creation of responsibility centres; 4) development of responsibility centre budgets and self-monitoring of execution; 5) performance evaluation of responsibility centres; 6) reporting by responsibility centres to top management.

For internal information management systems to reflect not only economic indicators but also aspects of CSR, Špogienė et al. (2025) proposed improvements to this structure by adding new procedures and refining existing elements. Specifically, they recommended that the first element – analysis of the management structure – be supplemented with stakeholder identification and evaluation. The sixth element – reporting – should be extended to include reporting to both internal and external stakeholders. However, they argue that the classical internal reporting system no longer satisfies the need to evaluate performance comprehensively in a modern context. It does not provide sufficient tools to demonstrate a socially responsible business approach, particularly when balancing the interests of diverse stakeholder groups. Therefore, it is important not only to examine external expressions of CSR but also to explore its integration into internal decision-making processes to balance business performance with stakeholder interests. To validate the applicability of the improved RAR framework in the retail sector – and to refine it if necessary – an empirical study was conducted based on the following research questions:

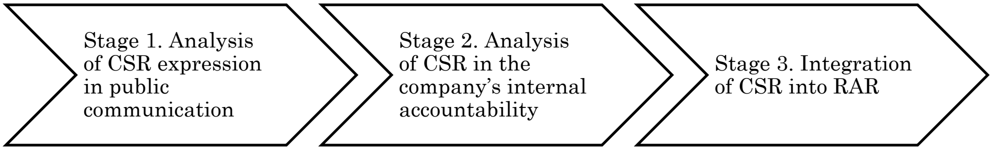
RQ1: Is there a gap between publicly disclosed CSR information and the information used in internal decision-making processes in major Lithuanian retail chains?

RQ2: How can the RAR process be improved by integrating CSR principles to enhance decision-making transparency and efficiency in major Lithuanian retail chains?

2. Research methodology

To address the research questions posed, a qualitative research approach was adopted. This method was chosen to contribute to theory-building, gain multifaceted insights, broaden the scope of the investigated problem, and explore it from a wider perspective. The study was carried out in three stages (Figure 1). The sample was selected using purposive sampling of politically significant cases, following the qualitative data collection methodology recommended by Rupšienė (2007). The study focused on five major retail chains that operate in Lithuania – Maxima, Iki, Lidl, Norfa, and Rimi – which are among the most significant players in Lithuania's retail sector.

Figure 1. Stages of qualitative research



Source: authors' own elaboration.

2.1. Methodology for analysis of CSR expression in public communication

In the first stage of the study, during the analysis of CSR expression in public communication, data were collected from publicly available information sources (Table 1) to address **RQ1:** Is there a gap between publicly disclosed CSR information and the information used in internal decision-making processes in major Lithuanian retail chains?

Table 1. Public information sources used for research

Retail Chain	Number of stores in Lithuania	Annual revenue (EUR million)	Information source – CSR report
Maxima	247	2143	At the time of the study, the most recent publicly available CSR report was published for the year 2023, marking the company's sixth CSR report. The report is not formally audited by third parties
Lidl	72	867	At the time of the study, the most recent publicly available CSR report covered the 2022–2023 financial year and was the company's third CSR report. The first report was published for the 2018–2019 period. The company's financial year does not align with the calendar year or the financial years of other companies. A limited assurance audit of the public report was conducted by UAB "Ernst & Young Baltic"
Rimi	308	1834	At the time of the study, the most recent publicly available CSR report covered the year 2023 and was the fourth publicly accessible CSR report published by the company. The report is presented in the form of a website and is not formally audited by third parties
Iki	246	887	At the time of the study, the most recent publicly available CSR report was published for the year 2023 and represents the company's second CSR report. The report was not formally audited by third parties

Retail Chain	Number of stores in Lithuania	Annual revenue (EUR million)	Information source – CSR report
Norfa	157	1078	The company's official website and public statements to the media. The company does not publish formal sustainability reports

Source: authors' own elaboration.

Although only four out of the five companies under study publish CSR reports, the analysis of Norfa was conducted using publicly available statements. The company's CEO has publicly stated that businesses often engage in empty rhetoric and instead advocates for discussions focused on numbers and tangible change. Norfa stands out with its unique approach to accountability, offering valuable insights for this research by presenting an alternative perspective to mainstream reporting practices. The company openly shares its views on CSR initiatives. This publicly expressed stance is particularly valuable for the study, as it highlights the same core issue – the need to shift focus from formal reporting obligations to meaningful, measurable actions.

To answer the research question – whether there is a gap between publicly disclosed and decision-making-relevant CSR information in major Lithuanian retail chains – an analysis was conducted of the CSR reporting practices and guidelines followed by these companies. Compliance with a selected standard allows for an assessment of the comprehensiveness of information disclosure and the potential risk of formal declarations substituting for genuine accountability.

Following the suggestion by Špogienė et al. (2025) to include stakeholder analysis in the examination of accountability structures, the CSR reports were analysed to identify the typical stakeholders of major retail chains and the key issues relevant to them.

Subsequently, the suitability of publicly disclosed quantitative key performance indicators for internal CSR accountability was assessed by examining their presentation within the context of social accountability. Although numbers are often perceived as objective facts, the context and wording can influence how they are interpreted. The indicators were categorised by content into trade, assortment, social, environmental, and economic groups. Within each group, the analysis aimed to understand how the context of disclosure reflects the impact on stakeholders and to assess whether any bias or statistical manipulation might be present in data presentation to create a favourable impression.

2.2. Methodology for analysis of CSR in the company's internal accountability

The second research phase examined current corporate practices of integrating CSR into RAR. It also sought to address RQ1 regarding whether there is a gap between publicly disclosed CSR information and the information used in internal decision-making processes. Due to the confidential nature of internal reporting, in-depth anonymous interviews were conducted with selected respondents who met the following criteria: at least five years of professional experience, a minimum of two years within the same company, managerial roles within corporate administration, and participation in strategic executive meetings where high-level decisions are made. This ensured respondents possessed a thorough understanding of accountability processes, the role of social responsibility in decision-making, and related challenges.

Given their direct responsibility for financial and management processes, including accountability, these executives provided valuable insights into how social responsibility is reflected in corporate objectives and influences decision-making. Full confidentiality was maintained to prevent identification of either the companies or the individuals, adhering to ethical research standards.

Interviews were conducted via phone or MS Teams. Responses were either recorded or noted during the interview if the respondent preferred not to be recorded. The focus was on the depth and quality of information rather than quantity, aiming to uncover unforeseen aspects and develop a comprehensive understanding of CSR integration in internal controls.

Data saturation was reached after interviewing seven respondents: two each from IKI and Maxima, and one each from Lidl, Rimi, and Norfa. All interviews were individual. Interview statistics are presented in Table 2. Specific job titles remain confidential, but all respondents held senior executive positions.

Table 2. In-depth individual interview overview

Interview Scope	**Number of respondents**	**Total interview duration**
Company 1	2	125 min
Company 2	1	45 min
Company 3	1	30 min
Company 4	2	50 min
Company 5	1	20 min
Total:	**7**	**270 min (4.5 hrs.)**
Respondent Experience	**Minimum**	**Average**
Qualified Work Experience	10 years	19 years
Company Tenure	2 years	12 years

Source: authors' own elaboration.

Respondents were asked how the impact of CSR actions on company performance is measured, who is responsible for monitoring CSR key performance indicators (KPIs), how often these KPIs are reviewed, and what their significance is in decision-making. They were also invited to share insights on the factors driving socially responsible business decisions and what an internal accountability system should look like to help executives evaluate decision impacts not only on business results but also from a CSR perspective.

In-depth, unstructured interviews provided a deeper understanding of the level of social responsibility integration in the daily performance assessment of major Lithuanian retail chains and revealed factors that clarify the presence or absence of social responsibility in everyday operations.

2.3. Methodology for integrating CSR into RAR

Building on the analysis of public CSR communication and empirical findings on internal accountability integration, the final third research phase assessed the information gap between public and internal reporting to answer **RQ2**: How can the RAR process be improved by integrating CSR principles to enhance decision-making transparency and efficiency in major Lithuanian retail chains? Given the interpretive nature of the study, a contextual content analysis was conducted. Indicators extracted from the context were collaboratively evaluated and validated by all three co-authors to enhance analytical rigour and credibility.

Based on these insights, a proposal was developed to improve the RAR process. The outcome is an enhanced RAR process tailored for retail companies to embed CSR in decision-making, which can also be adapted for other business sectors.

3. Research results and discussion

3.1. The representation of CSR in the external communication of leading retail chains in Lithuania

To reconsider the RAR process for integrating CSR elements into decision-making, the study first analysed how companies understand and present CSR in public reporting. This phase aimed to address key research questions: whether a gap exists between publicly disclosed information and that used in decision-making, and how to improve the RAR process by embedding CSR principles to enhance transparency and effectiveness in Lithuania's major retail chains.

When examining the guidelines or standards companies follow in public reporting, three of the studied firms – Lidl, Maxima, and Iki – reported using the widely recognised Global Reporting Initiative (GRI) standards. However, it was noted that only general references to GRI topics were provided, rather than detailed GRI indicators aligned with taxonomy requirements. The reports were not fully structured according to the GRI framework; information was inconsistently presented, lacked full verification, and methodological explanations regarding data collection and reporting were insufficient. Often, GRI topics were listed without corresponding data, citing data gaps or confidentiality. Thus, GRI appeared to be used more as a communication tool than as a rigorous accountability and reporting standard.

In exploring appropriate methods for integrating CSR into the RAR, the study examined manifestations of a key CSR element – stakeholder analysis and assessment. The primary stakeholder mentioned in public reporting was customers, as the company's survival depends on attracting them. All companies also strongly highlighted employees as a critical stakeholder, given their role in business success. Suppliers were considered stakeholders influenced through assortment management. Other stakeholders received considerably less attention in CSR reports. Political institutions were mentioned only in Lidl's sustainability report. Shareholders, investors, and local communities were identified as stakeholders exclusively in Maxima's CSR report. All stakeholders are summarised in Table 3.

Table 3. Main stakeholders of retail chains and the topics relevant to them

Stakeholder	Relevant topics
Shareholders and Investors	Financial stability and performance, sustainability metrics, business continuity, risk management, ethics, and transparency
Customers	Product quality, availability, safety, wide assortment, affordable pricing, sustainability, positive shopping experience, customer service, complaint handling, data protection, operational excellence
Employees	Working conditions, employee well-being, company information and strategy, changes and updates, compensation and benefits, additional perks, professional development, training programmes, career opportunities, information accessibility, equal opportunities, health and safety measures
Suppliers	Delivery terms and conditions, fair payment practices, ethical conduct, reliability, ethics, transparency, sustainability issues (policies, data), certification
Business Partners	Contract terms and conditions, fair payment practices, ethical conduct, reliability, ethics, transparency
Government Authorities	Taxes, reporting, legislation, compliance, ethics, and transparency
Political Institutions	Policy development and sustainability
Associations and NGOs	Environmental and health impact, social inclusion and accessibility, animal welfare, ethics and anti-corruption, social projects, support and donations
Media	Open dialogue, timely disclosure of relevant information, ethics and transparency, financial performance, achievements, social projects, senior management changes
Local Communities	Food waste, environmental impact, social initiatives, infrastructure investments, local suppliers, ethics, and transparency
Competitors	(Not mentioned in reports as stakeholders)

Source: authors' own elaboration, based on CSR reports analysis.

Although the analysed retail chains maintain reciprocal relationships with all listed stakeholders, the level of disclosure of these relationships in public reporting varied significantly.

Content analysis of CSR reports identified KPIs across several categories: *retail* (sales revenue (in EUR), number of purchases, market share, number of stores, retail space), *assortment* (number of product items, share of sustainable or organic products, share of private label products, share of local suppliers' products), *social* (total number of employees, employee turnover, wages), *environmental* (amount of food waste, donated food, waste by disposal type, energy consumption, greenhouse gas emissions, water consumption), and *financial* (investments and charity) KPIs. The aim was to critically assess the purpose of presenting these KPIs in the CSR context and identify gaps or improvements to enhance transparency in CSR reporting.

Qualitative analysis of *retail* KPIs revealed an emphasis on demonstrating the company's ability to attract and retain customer flows. However, a broader and deeper evaluation was lacking, including comparisons of responsible consumption and business growth challenges. Retail KPIs were presented in isolation from other metrics, with limited data accuracy and trend analysis. The full supply chain connections and stakeholder impacts of retail-related decisions were not reflected. These KPIs provided statistical data but failed to reveal issues related to CSR integration. Table 4 presents the analysis of public reporting practices regarding retail KPIs.

Table 4. Retail KPI's accountability content analysis

KPI	Practice of disclosure in CSR reporting	Analysis in the context of CSR
Sales Revenue (EUR)	External reports present sales revenue or turnover in millions of euros for the financial year. Lidl's fiscal year differs from others. Lidl reports audited revenue without clarifying VAT inclusion. Rimi does not specify VAT status. IKI and Maxima state that revenue excludes VAT. Norfa's website details revenue with and without VAT separately, including year-over-year comparisons and growth percentages. For accuracy and transparency, more precise indicator descriptions are advisable (e.g., returns, loyalty card point redemptions, and deposits for packaging)	Sales revenue is a key financial measure of a company's size by sales volume. In the CSR context, the composition and dynamics of this KPI are more relevant. Since all companies aim to offer competitively priced goods, it is advisable to analyse sales in conjunction with customer numbers, sales volumes, pricing changes, assortment composition, and pricing strategies

KPI	Practice of disclosure in CSR reporting	Analysis in the context of CSR
Number of Purchases	Maxima reports annual purchases in millions; IKI reports daily rounded customer counts in hundreds of thousands. Rimi, Lidl, and Norfa do not mention this indicator publicly	From a CSR perspective, the number of purchases can indicate market trends and average basket size. Retailers should clarify whether they promote responsible consumption by optimising purchase frequency and encouraging bulk buying, or focus more on reducing food waste by encouraging buying only what is needed
Market Share (%)	Only Maxima reports market share publicly, although it does not specify sources or calculation methodology	A higher market share implies greater potential direct and indirect CSR impact. Tracking market share trends in a broader context allows companies to analyse consumer preferences and demands
Number of Stores	All retailers report store counts, but vary in detail about expansion and renovations. Rimi is less detailed. IKI highlights ongoing expansion with autonomous stores. Norfa reports planned openings and renovations jointly. Lidl discloses new store openings but not future plans. Maxima breaks down stores by format and tracks openings, closures, and renovations	From a CSR and sustainability perspective, store count is important for geographic distribution, sustainable logistics, and balancing economies of scale with local solutions. Store age and energy efficiency are crucial; a high share of outdated stores may indicate lagging sustainability efforts. However, renovation budgets do not necessarily reflect resource-efficient investments
Retail Space (m^2)	Only IKI explicitly reports retail space; others reference it indirectly via relative indicators	Retail space is critical when evaluating other CSR-related metrics such as energy consumption and waste per square metre. Comparing retail space per capita can indicate the balance of responsible consumption in different regions: excessive space per capita may encourage overconsumption and waste, while insufficient space may signal poor service accessibility and inequality

Source: authors' own elaboration, based on public CSR information.

The analysis of retail KPIs revealed that, in their current disclosure format, these metrics are not well-suited for assessing CSR. They fail to reflect the rationale behind socially responsible decisions. Nonetheless, when evaluated through the lens of CSR, such indicators can still yield valuable insights. Therefore, the study extended the analysis to include other relevant KPIs.

Assortment KPIs are among the most comprehensively disclosed in CSR reports, which is understandable given that product offering is one of the most influential indirect impact areas. Retailers shape consumer choices, and assortment data are relatively accessible and analysable. However, the reports tend to focus heavily on assortment selection strategies aimed at increasing customer loyalty while providing limited information on pricing structures or value distribution across the supply chain.

Social KPIs have the potential to offer meaningful insights into CSR practices. Nonetheless, the analysis revealed selective disclosure and a reluctance to present a comprehensive and transparent picture. This suggests that social KPIs remain a sensitive issue in the retail sector.

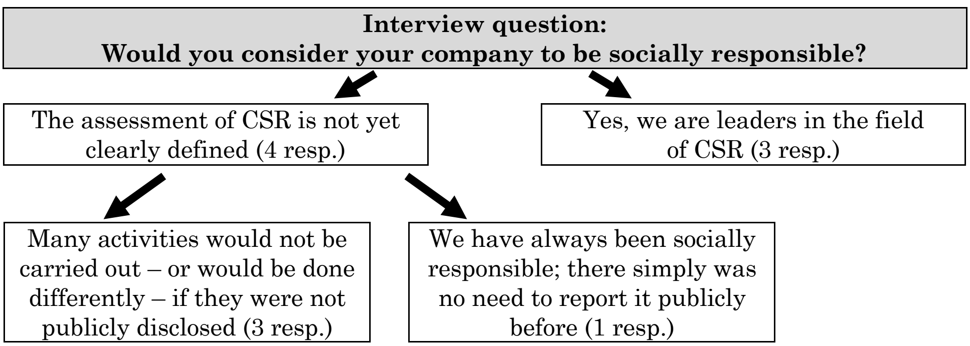
Environmental and financial KPIs are widely disclosed, not necessarily due to their direct relevance to consumers or strategic impact, but rather in response to formal regulatory requirements or reporting conventions. As a result, the level of detail provided does not always correspond to the actual weight of their impact.

Overall, the use of external report KPIs as evidence of socially responsible business practices is often selective, serving more of a representational than evaluative purpose. In many cases, adopting a broader analytical perspective, disclosing additional contextual data, and involving a wider range of stakeholders could enable a more objective and meaningful assessment of CSR performance.

3.2. CSR in the internal decision-making of leading retail chains in Lithuania

To further address the research questions, internal CSR accountability was examined through in-depth, non-structured interviews with representatives of retail chains. The respondents expressed diverse perspectives on CSR (Figure 2). Nevertheless, they unanimously agreed on the importance of transparency – being perceived as socially responsible is crucial for corporate reputation, as it is expected not only by governmental institutions but also by society at large. All interviewees also shared the view that sustainability gains traction primarily in conditions of economic maturity.

Figure 2. Subjective CSR maturity level evaluation

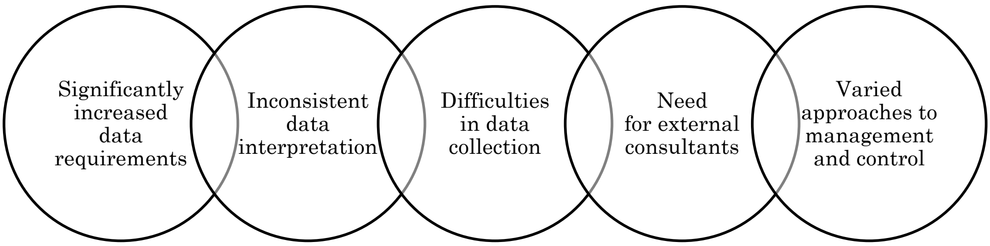


Source: authors' own elaboration, based on interviews.

All representatives emphasised the significantly increased volume of data and the challenges associated with collecting additional sustainability data for external reporting due to regulatory compliance. Difficulties in data evaluation, resulting from varying interpretations of indicators, as well as the need to train employees, were commonly noted.

Each company addressed the management and control of social responsibility differently in response to the new requirements. Some had dedicated sustainability departments, while others did not. In cases where specific individuals or units were assigned responsibility for sustainability, they belonged to different departments – such as public relations, legal, or strategy – or operated independently. In all instances, these roles primarily served a coordinating function between internal departments and external stakeholders. Data collection posed challenges, and external consultants were often involved in the preparation of public reports. Most companies allocated additional resources, including staff responsible for external CSR communication. However, their assignment to specific departments or functions varied. Only one company reported having no dedicated sustainability unit or responsible individual. This further underscores the relevance of this research – the importance of integrating CSR into existing RAR processes. When CSR is not embedded, managing and organising it requires additional resources. The challenges organisations face as sustainability becomes a standard practice are illustrated in Figure 3.

Figure 3. Sustainability as a standard: organisational struggles



Source: authors' own elaboration, based on interviews.

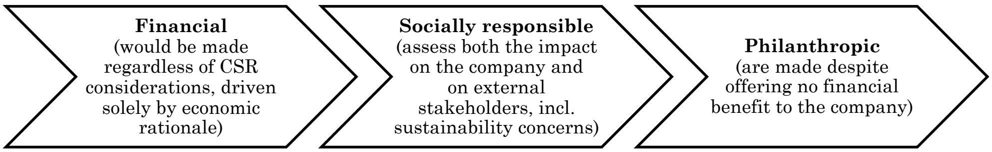
A significant number of CSR KPIs are not entirely new. Rather, they reflect commonly monitored KPIs, reinterpreted with greater detail and from a different angle. All respondents pointed out that those responsible for CSR or sustainability KPIs were not the same individuals responsible for compiling CSR reports or for external CSR communication. Many of the KPIs are highly specific to particular business areas; for example, emissions-related KPIs often require conversion and technical recalculation with the assistance of external experts. As such, progress and improvements were typically overseen by separate individuals, each within their own field of responsibility.

One respondent emphasised the need for additional resources to manage sustainability requirements and KPIs, arguing that the scope has grown too large for individual domain specialists to grasp and manage comprehensively. In this regard, CSR is becoming comparable to legal or financial domains, which require dedicated professionals with deep, continuously updated expertise. Meanwhile, the remaining respondents were more inclined to believe that CSR and sustainability should be embedded into existing processes through capacity building and awareness among process owners.

In light of these perspectives, it is advisable to aim for maximum integration of CSR and sustainability into core business processes, while allocating targeted resources for consultation and monitoring of sustainability-related developments, when necessary.

None of the respondents could identify a specific method used to evaluate and monitor the impact of socially responsible projects on company performance – particularly in terms of deciding how much to invest and where, not just from a financial but also from a CSR perspective. The lack of such a method highlights a need to improve performance assessment systems, as it remains difficult to objectively identify which companies manage and measure their activities in the most responsible way. However, when discussing decision-making processes, respondents consistently referred to three types of decisions based on the nature of assessment: financial, philanthropic, and socially responsible (Figure 4).

Figure 4. Types of initiatives or decisions based on impact evaluation



Source: authors' own elaboration, based on interviews.

Stakeholder identification and engagement are foundational characteristics of corporate governance in socially responsible companies. However, interviews with respondents revealed that KPIs related specifically to stakeholder relationships are treated with particular confidentiality. Even top-level executives refrained from commenting in detail on how these relationships are analysed and evaluated. Access to detailed data is typically restricted to a very narrow group of employees directly involved in specific functions.

All respondents agreed that the current way of working is not an optimal organisational process for integrating CSR. Some leaned toward supporting the need for businesses to adapt to new requirements by preparing additional reports to promote greater responsibility. Others advocated for reducing bureaucratic burdens, aiming to soften regulatory demands and simplify processes. Nonetheless, the importance of CSR integration and the need to improve business governance processes were clearly recognised.

In summary, the interviews confirmed a widely discussed notion in academic literature – that CSR practices are largely driven by external pressure, and only information with a positive impact on corporate reputation tends to be publicly disclosed. Meanwhile, internal accountability processes have remained largely unchanged. CSR principles often stay at the level of external communication, while their internal implementation remains fragmented. To ensure transparency and strengthen the ability to influence managerial decision-making toward more socially responsible governance – regardless of shifting regulatory trends or temporary external fashions – it is essential to adapt the RAR process by integrating a CSR-oriented management approach.

3.3. Integrating CSR into the responsibility accounting and reporting process

An analysis of external and internal CSR reporting revealed a disconnect between publicly disclosed information and the data actually used in decision-making. The growing volume of data, along with selectively presented information, obscures potential issues and prevents a comprehensive assessment of organisational impact. The classical accountability systems still in use within companies – developed in the previous century and narrowly focused on profit-oriented organisations – no longer reflect modern societal expectations for business performance to be assessed in a holistic way, considering the interests of all stakeholders. This gap poses a risk to both the meaning and implementation of CSR principles.

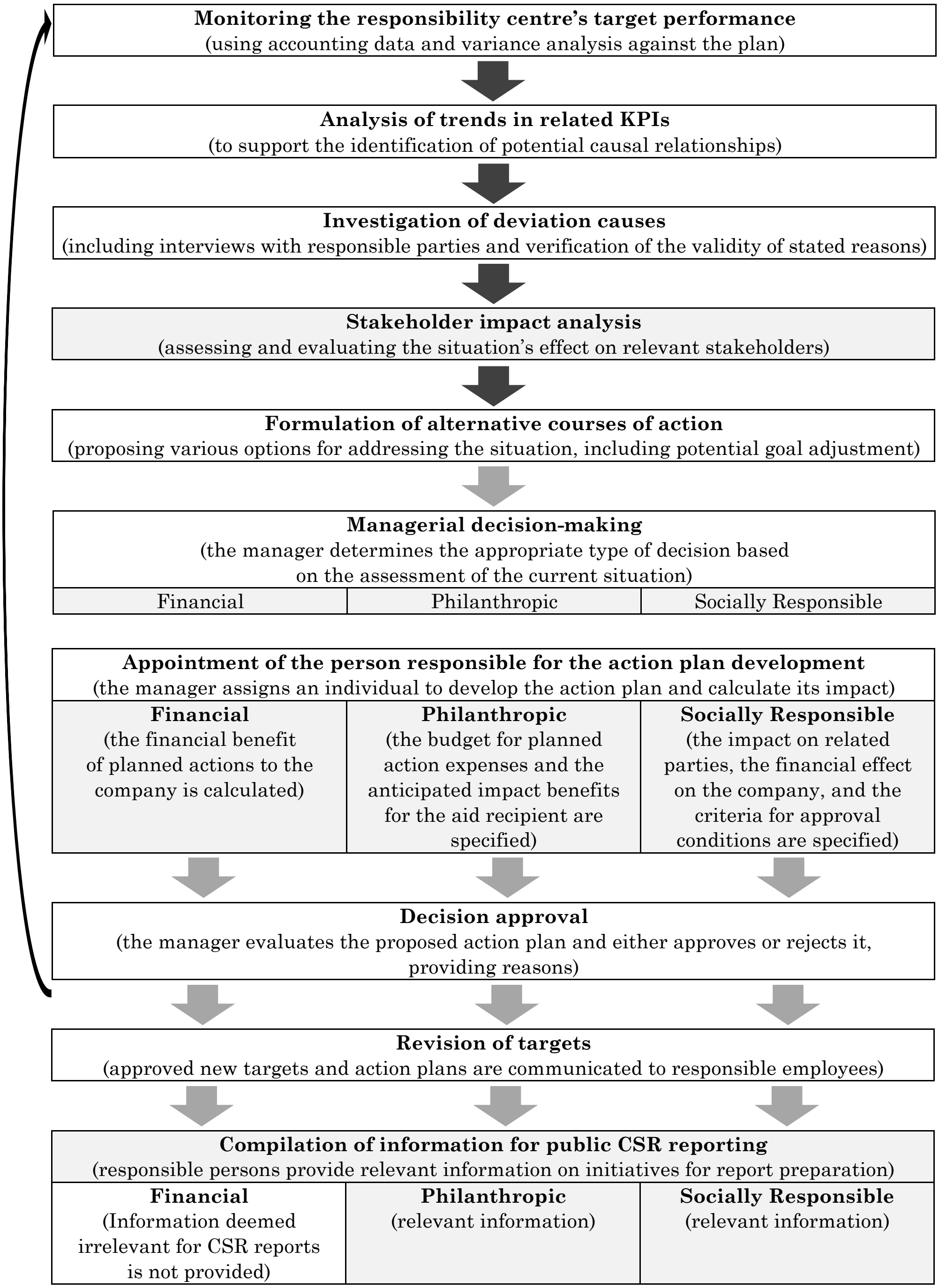
There is a clear need to improve accounting and reporting processes so that managers can adopt a more balanced analytical approach when making decisions, one that incorporates CSR considerations. The first two stages of the empirical research confirmed the theoretical proposition: that there is a need to integrate CSR elements into the RAR process.

Consequently, a revised framework was proposed to improve internal CSR accountability by addressing the shortcomings identified during the empirical study and incorporating missing CSR-related components. This includes stakeholder analysis and classifying corporate decisions or initiatives by their nature into three types: financial, philanthropic, and socially responsible (Figure 5). The analysis of complex situations becomes clearer when information is structured in sequential stages – starting with core elements and gradually leading to more detailed insights.

In such a process, decisions driven solely by financial gain would be excluded from CSR reports. The integration of CSR would be reflected in the ability to transparently and sincerely communicate the true intent behind managerial decisions, as the moral value of an action is defined by its motives. While financial decisions remain necessary and legitimate, it would be misleading to categorise them as socially responsible or philanthropic if they do not meet those criteria.

This proposed internal RAR process would bring greater clarity and transparency, facilitating communication, enabling faster goal adjustment in response to changing environments, and encouraging managers to make socially responsible decisions more frequently. It would also enhance trust among employees, investors, and other stakeholders in the decisions made by company leadership.

Figure 5. Responsibility accounting and reporting process with integrated CSR



Source: authors' own elaboration.

Considering that independent external assurance procedures for CSR reports will become mandatory, adapting the RAR process accordingly would help managers gradually reduce excessive communication, narrow the gap between publicly disclosed information and information used in decision-making, and enhance the credibility of information in CSR reports.

Summary

Increasing expectations from society place growing pressure on businesses to balance and prioritise the diverse needs of both internal and external stakeholders, while also ensuring decisions are made quickly and thoughtfully. In today's fast-paced business world, success depends not only on swift decision-making and maintaining a good reputation but also on the quality and integrity of those decisions. Misinterpreting data or selectively sharing information might create a short-term positive image, but if discovered, it can result in serious damage.

This research aimed to propose a framework for integrating CSR into the RAR process to reduce the informational noise caused by excessive CSR disclosures and to enhance the transparency of CSR integration into business processes. The study of CSR reporting in major Lithuanian retail chains revealed a clear gap between the information shared publicly and what is actually used when making decisions. While organisations are making efforts to adapt their structures to meet rising demands, these changes have increased resource needs and made it harder to properly evaluate sustainability efforts or collect clear evidence of socially responsible actions. The subjectivity of respondents may limit the comprehensive assessment of all CSR dimensions and their integration into internal processes. Crucially, CSR remains insufficiently integrated into the RAR processes that guide decision-making.

To address this, the study proposed enhancing RAR by including CSR-related elements. It also recommended excluding decisions driven solely by financial gain from public sustainability reports. This would help reduce overwhelming communication, lower the risk of misinterpretation, and make social responsibility and sustainability topics clearer and more focused. It is important to understand that CSR is not black or white – it is a complex, evolving issue that involves ethical dilemmas and long-term impacts, all of which need to be openly shared and thoughtfully examined.

Given the universality of this methodology, future research could explore its practical application by implementing the adapted accountability system in an operating retail company and observing changes in decision-making and in managers' motivations to consider stakeholder interests. Researchers could also examine the advantages and limitations of such an adapted RAR system, develop guidelines for socially responsible performance evaluation (including examples of reporting packages), and refine the use of different performance indicators across contexts. Although the study's insights on information interpretation are most relevant to the retail sector, the assessment of stakeholder impact and the classification of decisions by stakeholder effects are applicable across sectors.

Integrating CSR into internal decision-making requires rethinking RAR processes. Striving for transparency means using consistent information across all sources that can be clearly broken down, analysed, and compared when needed. This approach would encourage open conversations and the exchange of best practices among companies, academics, and the business community – helping build a more socially responsible, mature, and balanced economy.

References

Ahmad K., Mohamed Zabri S. (2023), *The role of management accounting on the relationship between corporate social responsibility and performance in SMEs*, “Measuring Business Excellence”, 28 (1), pp. 122–136; https://doi.org/10.1108/MBE-04-2023-0068.

Awa H.O., Etim W., Ogbonda E. (2024), *Stakeholders, stakeholder theory and Corporate Social Responsibility (CSR)*,“International Journal of Corporate Social Responsibility”, 9, 11; https://doi.org/10.1186/s40991-024-00094-y.

Baden D. (2016), *A reconstruction of Carroll’s pyramid of corporate social responsibility for the 21st century*, “International Journal of Corporate Social Responsibility”, 1 (8); https://doi.org/10.1186/s40991-016-0008-2.

Balcerzak A.P., Kenyon MacGregor R., MacGregor Pelikanova R., Rogalska E., Szostek D. (2023), *The EU regulation of sustainable investment: The end of sustainability trade-offs?* “Enterpreneural Business and Economics Review”, 11 (1), pp. 199–212; https://doi.org/10.15678/EBER.2023.110111.

Benabou R., Tirole, J. (2009), *Individual and Corporate Social Responsibility*, “Economica”, 77 (305), pp. 1–19; https://doi.org/10.1111/j.1468-0335.2009.00843.x.

Buertey S., Chu T.T., Thompson E.K. (2023), *An empirical study on the cushioning effect of corporate social responsibility on the negative impact of COVID-19 on firm performance*, “Corporate Social Responsibility and Environmental Management”, 31 (2), pp. 1364–1379; https://doi.org/10.1002/csr.2638.

Csikósová A., Janošková M., Čulková K. (2020), *Providing of tourism organizations sustainability through Triple Bottom Line approach*, “Enterpreneurship and Sustainability Issues”, 8 (2), pp. 764–776; http://doi.org/10.9770/jesi.2020.8.2(46).

Durmaz V., Ateş S.S., Duman G. (2011), *CSR As A Tool To Cope With Economic Crises: The Case Of TEI*, “Procedia – Social and Behavioral Sciences”, 24, pp. 1418–1426; https://doi.org/10.1016/j.sbspro.2011.09.098.

Fatima T., Elbanna S. (2023), *Corporate Social Responsibility (CSR) Implementation: A Review and a Research Agenda Towards an Integrative Framework*, “Journal of Business Ethics”, 183, pp. 105–121; https://doi.org/10.1007/s10551-022-05047-8.

Gallagher V.C., Hrivnak M.W., Valcea S., Mahoney C.B., LaWong D. (2018), *A comprehensive three-dimensional sustainability measure: The ‘missing P’ – a vital stakeholder in sustainable development*, “Corporate Social Responsibility and Environmental Management”, pp. 1–16; https://doi.org/10.1002/csr.1493.

Glanze E., Nüttgens M., Ritzrau W. (2021), *Unternehmenserfolg durch Nachhaltigkeit – Reifegrad – und Vorgehensmodell zum Aufbau eines datenbasierten Nachhaltigkeitsmanagements*, “HMD Raxis der Wirtschaftsinformatik”, 58, pp. 155–166; https://doi.org/10.1365/s40702-020-00694-9.

Gliaubicas D. (2012), *The research of management accounting evolution in the context of economic changes*, "Economics and Management", 17 (1), pp. 22–29; https://doi.org/10.5755/j01.em.17.1.2247.

Hosoda M. (2018), *Management control systems and corporate social responsibility: perspectives from a Japanese small company*, "Corporate Governance", 18 (1), pp. 68–80; https://doi.org/10.1108/CG-05-2017-0105.

Kanapickienė R. (2009), *Company Internal Control System in the Process of Transformations: Formation, Development, Problems*, Lithuanian Academic Libraries Network LABT, Kaunas.

Kingsley A.O.E.O., Endurance O., Sunny A.I., Ozele C.E. (2014), *Responsibility Accounting: An Overview*, "IOSR Journal of Business and Management", 16 (1), pp. 73–79; https://www.iosrjournals.org/iosr-jbm/papers/Vol16-issue1/Version-4/J016147379.pdf.

Kren L. (2016), *Managing Input and Output Efficiency with Activity Based Costing (ABC) and Responsibility Accounting*, "Journal of Multidisciplinary Engineering Science and Technology", 3 (12); https://www.jmest.org/wp-content/uploads/JMESTN42351964.pdf.

Kurowski M., Huk K. (2021), *Selected Aspects of Corporate Social Responsibility in the Industry Related to the Production and Supply of Energy*, "Energies", 14 (23); https://doi.org/10.3390/en14237965.

Leitonienė Š., Šapkauskienė A. (2016), *Information disclosure in corporate social responsibility reports. The case of Lithuanian companies*, "Zeszyty Teoretyczne Rachunkowości", 88 (144), pp. 73–85; https://doi.org/10.5604/16414381.1212004.

Lingnau V. (2024), *Controlling – Grundzüge eines anspruchsgruppenspezifischen Konzepts mit verhaltenswissenschaftlicher Fundierung*. https://wiwi.rptu.de/fileadmin/luc.wiwi.uni-kl.de/Forschung/Controlling-Forschung/30_Controlling.pdf.

Mackevičius J. (2004), *Cost Accounting and Product Costing: Trend of Research and Possibilities for Improvements*, "Ekonomika", 67 (2), pp. 39–51; https://doi.org/10.15388/Ekon.2004.17380.

Mackevičius J., Subačienė R., Tamulevičienė D. (2016), *The structure of responsibility accounting and the usage of its information*, "Information & Media", 74, pp. 82–96; https://doi.org/10.15388/Im.2016.74.9924.

Mahmud I., Anitsal I., Anitsal M. M. (2018), *Revisiting Responsibility Accounting: What are the relationships among responsibility centers?* "Global Journal of Accounting and Finance", 2 (1), pp. 84–98; https://www.igbr.org/wp-content/Journals/2018/GJAF_Vol_2_No_1_2018.pdf#page=90.

Navickas V., Kontautienė R. (2011), *Influence of corporate philanthropy on economic performance*, "Business: Theory and Practice", 12 (1), pp. 15–23; https://doi.org/10.3846/btp.2011.02.

Odonkor B., Kaggwa S., Uwaoma P.U., Hassan A.O., Farayola O.A (2024), *A review of U.S. management accounting evolution: investigating shifts in tools and methodologies of national business dynamics*, "International Journal of Applied Research in Social Sciences", 6 (1), pp. 51–72; http://dx.doi.org/10.51594/ijarss.v6i1.726.

Onwuzulike O.C., Buinwi U., Umar M.O., Buinwi J.A., Ochigbo A.D. (2024), *Corporate sustainability and innovation: Integrating strategic management approach*, "World Journal of Advanced Research and Reviews", 23 (03), pp. 270–284; https://doi.org/10.30574/wjarr.2024.23.3.2669.

Rudžionienė K., Gedutienė Z. (2022), *Privalomas Lietuvos bankų socialinės atsakomybės atskleidimas finansinėse ataskaitose*, "Regional Formation and Development Studies", 36 (1), pp. 80–93; https://doi.org/10.15181/rfds.v36i1.2390.

Rupšienė L. (2007), *Kokybinio tyrimo duomenų rinkimo metodologija*, Klaipėdos universiteto leidykla, Klaipėda.

Simanavičienė Ž., Simanavičius A., Kovaliov R. (2012), *Įmonių socialinės atsakomybės matavimo galimybės*, "Economics and Management", 17 (4), pp. 1528–1533; https://doi.org/10.5755/j01.em.17.4.3025.

Špogienė G., Holovash B., Holovash L. (2025), *Unifying CSR and Responsibility Accounting: Towards an Integrated Accountability Framework*, "Accounting Theory and Practice", 32 (2); https://www.zurnalai.vu.lt/BATP/issue/view/2822.

Terec-Vlad L., Juravle (Gavra) A.I., Trifu A. (2017), *The Economic and Philosophical Implications of the Concept of Responsibility*, "Ecoforum", 6 (1); https://www.ceeol.com/search/article-detail?id=585544.

Tran V.T., Ly P.C., Ngo N.N.T., Tran P.G., Nguyen V.C. (2022), *Factor affecting the implementation of responsibility accounting on firm performance – Empirical analysis of listed textile firms*, "Cogent Business & Management", 9 (1); https://doi.org/10.1080/23311975.2022.2032912.

Won Kim N.K., Matsumura E.M. (2017), *Managerial Accounting Research in Corporate Social Responsibility: A Framework and Opportunities for Research*, "Advances in Management Accounting", 28, pp. 31–58; https://doi.org/10.1108/S1474-787120170000028002.

Yasar R.S. (2024), *Integration of artificial intelligence in management accounting: a SWOT analysis*, "Journal of Business in The Digital Age", 7 (1), pp. 9–19; https://doi.org/10.46238/jobda.1474352.

Zhang Y., Hou T., Hirotaka M. (2025), *Turning loss into gain: how distressed brand's philanthropic corporate social responsibility drives customer citizenship*, "Journal of Product & Brand Management", 34 (7), pp. 990–1007; https://doi.org/10.1108/JPBM-11-2024-5587.

Zureich J. (2023), *The (Un)Controllability Principle: The Benefits of Holding Employees Accountable for Uncontrollable Factors*, "Journal of Accounting Research", 61 (2), pp. 653–690; https://doi.org/10.1111/1475-679X.12467.