SOCIAL REPORTING IN ITALIAN HEALTHCARE ENTERPRISES: AN EMPIRICAL ANALYSIS

Mirko MOZZILLO, PhD in Economics,
University of Sannio, Italy
E-mail: mozzillo@unisannio.it
ORCID: https://orcid.org/0009-0001-4471-836X

DOI: https://doi.org/10.36004/nier.cecg.II.2024.18.04

Abstract. *Social reporting is an integral part of the broader topic of corporate economic and financial reporting and is responsible for complying with the principle of transparency, which citizens increasingly demand. This is especially important in health care, in that, every citizen must be informed which health care facility they are entrusting their care to. Social reporting represents the most comprehensive and effective form of representation of overall corporate performance (Marcuccio, 2002). In the health sector, disseminating social reporting attempts to respond to growing information needs and support the complex system of institutional and environmental relations in which the healthcare company is embedded. Social reporting, therefore, represents a more comprehensive and effective form of performance representation in public companies (Marcuccio, 2002). Therefore, social reporting in healthcare, when combined with other local governance tools, through the enhancement of ethics, fosters increased sharing of knowledge, resources and responsibilities with a view to strategic alternatives in responding to health needs (Apuzzo, 2018).*
Keywords: *sustainability, social reporting, healthcare, Italy*
JEL: *I11, I18, M10, M14*
UDC: *614.2(450)*

Introduction/Literature review. Social reporting is one of the most important challenges for innovation in Italian public health companies. Social reporting aims to respond to the needs of citizens, businesses, associations, and public and private enterprises and assess the effects produced on the reference environment. In recent years, especially in the public sector, the use of information and management tools traced back to a desire to respond to social needs is becoming more widespread (Gigli, 2007). The balance sheet alone fails to demonstrate all the activities of Italian healthcare companies; therefore, the need arises for tools to support and integrate healthcare companies' planning and control systems (Sorano, 2008). In public companies, management is oriented toward satisfying an economic asset and financial balance, which is only a constraint and a necessary condition for the achievement of institutional goals (Borgonovi, 2004). Social reporting, therefore, represents a more comprehensive and effective form of performance representation in public companies (Marcuccio, 2002). The European Commission defines Social Reporting as "*the voluntary integration of companies' social and ecological concerns into their business operations and their*

relationships with stakeholders" (COMUNICAZIONE, 2011). Since the 1970s, many authors, have recognized that an organization's activities have an impact on the external and social environment, suggesting, that accounting should have an additional role, namely that of an organization's impact in environmental and social terms (Ciconte, 2022). In recent years, Corporate Social Responsibility (CSR) has become dominant in corporate social reporting. Every company has a CSR matter and produces a detailed report on its activities annually. The reporting tools used by public enterprises are the mission statement, sustainability report, environmental report, gender report, and social report. The social budget is the most widely used form of reporting by the government. It is a reporting tool aimed at stakeholders that integrates information provided by general accounting with ethical and social aspects (Borgonzoli, 2005). Administrative action should not be limited to justifying the decisions made and employed but should illustrate the effectiveness of actions and the benefits generated (D'Alesio, 2004). The social balance sheet represents a management and communication tool aimed at improving the corporate image towards the external environment; on the other hand, the special balance sheet is a tool inserted within the corporate planning, control, and reporting cycle allowing support and improve corporate strategies to achieve greater accountability and sustainability (Carrol, 2010). The total value created by companies includes not only economic value but also considers social and environmental dimensions (Van Marrewijk, 2003). Already since the 1990s, many private companies have been employing sustainability reporting tools. Model standards used to create sustainability reports include the Global Reporting Initiative (GRI), Group for the Study of Social Reporting (GBS), Accountability 1000, and Social Accounting 8000 (Massa, 2014). GBS is an association that assists public and private companies in the evolutionary processes of social and sustainability reporting (GBS, 2024). The Accountability 1000 standard assesses the performance of companies in the area of ethics and social and sustainable development (Beckett, 2002). The Social Accounting 8000 (SA 8000) standard enables the organization to properly manage and monitor all activities and processes on workers' conditions. The SA 8000 standard meets the needs of organizations that want to stand out for their social commitment and in sustainable development (Turzo, 2024). The GRI standard, on the other hand, was devised in 1997 and advocates the term sustainability to describe comprehensive information on environmental, social, and economic aspects (Brown, 2009). The GRI standards, over the years, have given rise to several social reporting tools: sustainability reports, integrated budget and social report. The phenomenon of social reporting and its tools, in Italy, is widespread in various types of public companies (Guthrie, 2017). In the healthcare sector, social reporting is a critical area of interest because, through social reporting, healthcare facilities present their activities, results and value created based on the healthcare services they provide (Macuda, 2020). Social reporting in health care, dun- therefore, when placed alongside other local governance tools, through the enhancement of ethics, takes on the task of fostering the increase in the sharing of knowledge, resources and responsibilities with a view to strategic alternatives in responding to health needs (Apuzzo, 2018). The use of

information and management tools widespread in the business world has now extended to social reporting tools as well, especially in the healthcare sector, where many companies, both public and private, have decided to adopt reporting tools (Alesani, 2006). The regulatory evolution of the Public Health Service and the adoption of information and management tools adopted by the business world have led individual public health companies to adopt social reporting tools. The phenomenon is very recent and at the same time rapidly developing, which testifies to the growing interest in these types of tools (Tieghi, 2007). The use of social reporting in health care companies can be associated as a reporting document of the company's activity understandable to various stakeholders and is linked to social sensitivity towards the public work of which health care companies are part of (Trinchero, 2005). The introduction of a system of social reporting in healthcare companies makes clear the desire to make explicit the guidelines of governance implementation consistent with its institutional mission (Siboni, 2004). The development of the social budgeting process is part of a communication plan that combines strictly accountability functions with the ordinary economic/financial ones known through traditional public reporting tools (Marcuccio, 2005). The special financial statement takes the form of a tool through which the company communicates the public value of its activities and how it was created. Traditional accounting documents alone fail to provide an additional indication of the entity's capabilities, and in this case, social budgets can be a useful tool to overcome the traditional limitations of the annual report. The social budget, therefore, can come to constitute a report of institutional policy value, in which the social outcomes that the company has achieved are shown (Luoni, 2009). The added value of the social budget consists precisely in the ability to make assessments of the activity that are shared with the various stakeholders the communicative purpose of the social budget contributes to improving the quality of life of the community (Paletta, 2007). Social budgets, moreover, is not mandatory documents but is the result of a choice by the entity represented by the awareness of communicating responsibility to the community; choosing to direct a social budget allows the citizen to know relevant information to administrative action (Perrone, 2004). Healthcare facilities, however, in 2003, albeit at a very slow pace, began publishing social reporting reports (Del Vecchio, 2011). The phenomenon has involved both public and private healthcare companies. Although there are still few studies on the topic of social reporting in healthcare, there are few Italian studies that go into analyzing the methods and criticalities of writing sustainability reports in healthcare. The study inquires, precisely, in assessing and analyzing how and how many Italian ASLs make use of social reporting systems. The study is organized as follows: the next section describes the number, method, and criteria of analysis, section 3 reports the results of the research consistent with the objectives described in section 2, and finally, the conclusions on the current information value of social reporting reports of Italian ASL.

Methodology. In the face of these premises, the research question is to identify which and how many local health agencies prepare social reports and what

are the criteria for their preparation. Thus, the following research questions will be answered:

- RQ1: How many and which Health Authorities in Italy prepare social balance sheets?
- RQ2: What are the drafting criteria used? What is the difference in the drafting of the social report among the various health companies?

The research methodology used is based on the qualitative-quantitative analysis of the main social balance sheets prepared by Italian Health Companies, analyzing the peculiarities of drafting of all the health companies present on the Italian territory, identifying the methods of drafting and comparing them with each other. The research methodology of the paper was to analyze the various national documents used for the study area and on the collection of geolocated information and data. It was possible to analyze data on the social reporting of Italian Aziende Saniterie with the help of documents and databases provided by institutional websites. The documents were identified based on two lines of research: a first line concerns visiting the "Transparent Administration" section present within the institutional websites of the Italian ASLs, the second step was to use the search bar present within the institutional websites with the aim of finding any institutional document concerning social reporting policies. Since it is a tool that is used voluntarily, one can have Local Health Authorities that have published one in past years, and therefore, the most recent one is analyzed, and Local Health Authorities that have abandoned report writing and, therefore, the latest version of the document available is taken.

The corporate sustainability reports of each ASL are analyzed and compared with each other based on a series of parameters, to identify similarity, criticality, and success factors. The parameters identified are shown in Table 1:

Table 1. **Sustainability report parameters**

1.	Disclosure contents
a.	Document articulation;
b.	Wealth of data.
2.	Communication aspects
c.	Readability and graphical quality;
d.	Web-based usability;
e.	Communication and dissemination.

Source: **Personal processing**

Results. Health care is one of the first sectors in which the main competencies are entrusted to the regions. This process has been in place since the early 1970s, although regionalization of the service and international has occurred gradually over the past 15 years. This is the most important commitment for the governing body of intermediate levels, as, from the financial point of view are allocated more than 80% of the resources allocated in regional budgets (Neri, 2008). According to the business economics doctrine, the institutional structure of

companies can be seen as the set of forms and rules that define the modes of representation and interests that converge on companies (Airoldi, 1994). In public health companies, the stakeholders are the target community and the providers. Through the process of regionalization of the national health care system, they are mainly identified in the regional governing bodies and representatives of the population (Gugiatti, 2022). Italian regions in establishing the structure of their health care system have adopted very different choices creating heterogeneity among regions in terms of the number and size of ASLs and AOs; the number of hospital garrisons left to the management of ASLs; and the presence of institutions other than ASLs and AOs in the regional public health system. Currently, the system is divided into Lombardy ASSTs, Lombardy Region ATSs, public IRCCSs, and integrated hospital-university corporations in addition to territorial and hospital corporations (Guerra, 2023). In addition, Italian regions are organized through different administrative apparatuses in terms of planning and analysis activities by often establishing Regional Health Agencies (RHAs). In Italy, there are currently six regions with an ASR: Tuscany, Marche, Abruzzo, Puglia, Sardinia and Lombardy. Other regions, however, such as Campania, Friuli-Venezia-Giulia, Piedmont, Umbria, Veneto, Lazio, and Liguria have decided to transfer its functions to the relevant Regional Directorates (Del Vecchio, 2017). After introducing the current structure of the Italian Health System, this study focuses only on analyzing the reporting processes of Italian ASLs. ASLs play a key role in public health management, offering a wide range of services, including primary, specialty, hospital and preventive care. The structure and organization of these companies may vary slightly from region to region, but they all follow national guidelines to ensure uniform quality standards throughout Italy. The number of ASLs in Italy (Figure 1) varies and can change over time due to regional reorganizations and mergers. Currently, there are 110 ASLs distributed in the different regions of Italy.

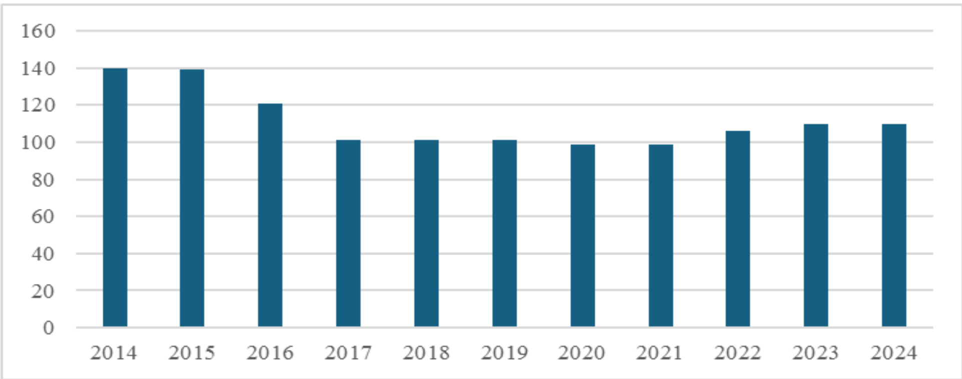

Figure 1. **Italian ASL evolution**

Source: salute.gov.it

From all analyzed websites, it appears that only the following ASLs have published at least one social reporting report over the years (Table 2).

Table 2. **Italian ASLs with published social reporting reports by region**

Italian Region	*ASL*
Piemonte	ASL TO5
Piemonte	ASL BI
Piemonte	ASL CN1
Piemonte	ASL CN2
Liguria	Asl 4 Chiavarese
Veneto	Ulss 3 Serenissima
Veneto	Ulss 8 Berica
Trentino-Alto Adige	Azienda Provinciale Servizi Sanitari
Emilia-Romagna	Usl Parma
Emilia-Romagna	Usl Modena
Emilia-Romagna	Usl Reggio Emilia
Emilia-Romagna	Usl Imola
Umbria	Umbria 2
Abruzzo	Ausl Chieti Lanciano Vasto
Abruzzo	Ausl Teramo
Lazio	Roma 3
Puglia	Asl Brindisi
Basilicata	Potenza
Basilicata	Matera
Sicilia	Trapani
Sardegna	Assl Nuoro
Valle d'Aosta	Aosta

A total of 21 reports have been published, so about 20% of the Local Health Authorities have published a social reporting report in the last decade. From the Figure 2, it is possible to see the geographical distribution of regions in terms of publishing sustainability reports. As can be seen from Figure 2, only 12 regions use social reporting tools and they are mostly used in Northern Italy, and in Emilia-Romagna and Piedmont.

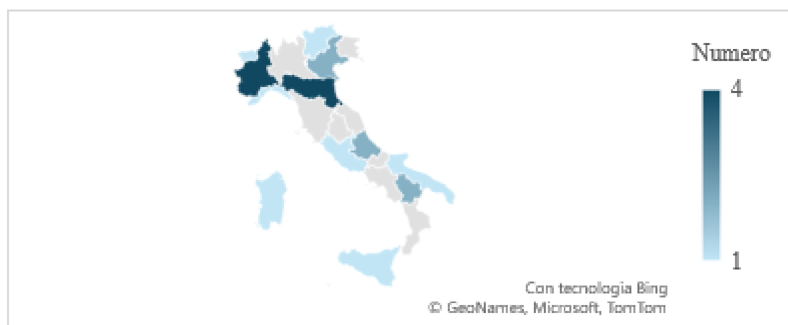

Figure 2. **Diffusion of social health reporting in Italy**
Source: Personal processing

To understand the development of sustainability reports in the Local Health Authorities, the number of reports that have been published in the last ten years is analyzed. Figure 3 shows an increasing trend over the years, especially from the year 2015 onwards, the peak being reached in 2022 when five Local Health Authorities published a sustainability report.

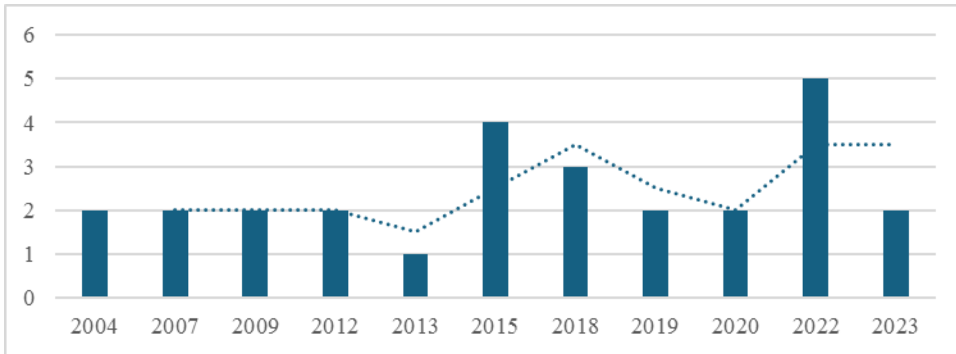

Figure 3. **Trend in sustainability report publication**
Source: Personal processing

The first section analyzed is the "Contents of the report" and the dimension under analysis concerns the articulation of the document and the distinction that is made concerns the presence of the methodology note within the sustainability report. The presence of the methodological note (Figure 4) is very important, as it describes the report's drafting process and indicates its standard of reference. As can be seen from Figure 4, 67% of sustainability reports have a methodology note section. In addition, all reports present a description of corporate identity, all have a section dedicated to articulated content for the various stakeholder categories.

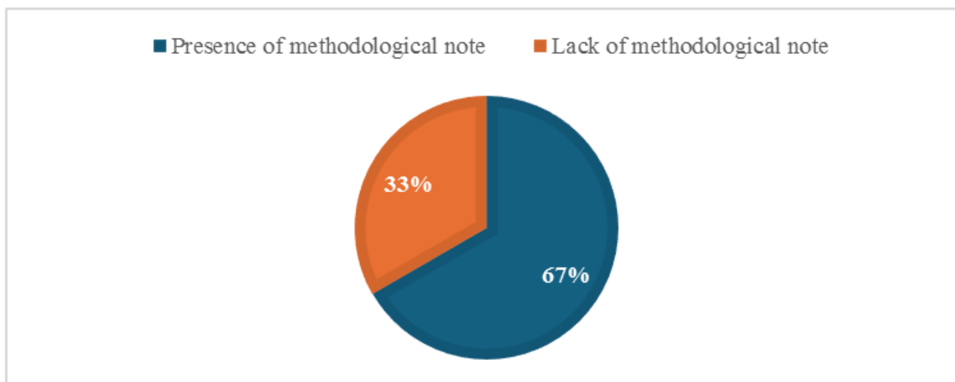

Figure 4. **Presence of Methodological Note**
Source: Personal processing

Concerning the second dimension 'Richness of data', only 51% of the reports present economic and asset balance sheets with analytical data on cost management, debt management, revenue analysis, and debt analysis. In the sustainability reports, moreover, only 45% present within them an analysis of the economic balance sheet indices and indicators. The empirical analysis also shows that the reporting standards used among the various LGAs are also different. From the analysis carried out and summarized in Figure 5, it can be seen that 18% use a standard defined on a regional basis, 14% follow the lines used by the Ministry of Public Administration, 9% use GBS standards, 4% use AA1000 standards, while, 55% draw up sustainability reports based on models derived from internal working groups and models not explicitly declared.

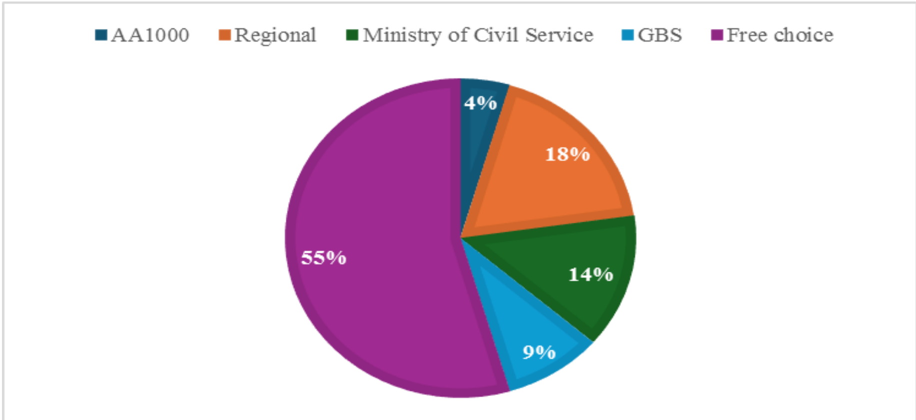

Figure 5. **Reporting Standards Used**

Source: Personal processing

The third analyzed section concerns 'Communication aspects'. The first dimension analyzed focuses on readability and graphical quality, where all reports present an initial numbered index, and 71% of the reports present synthetic highlights where several social indices and indicators are compared. The analysis of the second dimension "Web usability" shows that all reports are accessible via the web, but only in 62% of the reports is it possible to download data. The third dimension analyzed 'Communication and Dissemination' states that all LEAs are proactive in disseminating their sustainability reports.

Conclusion. This work aimed to evaluate social reporting initiatives in Italian local health authorities. Social reporting, in general, has concerned the health sector since 2004. In detail, 27 sustainability reports were published from 2004 to 2023, with the peak only occurring in 2022 with the publication of five documents. The low number of publications could be explained by the fact that, to date, there is no obligation to prepare sustainability reports and that there is no unambiguous publication standard. The results show the scarcity of the publication of sustainability reports, resulting in an unsatisfactory result in terms of continuity. Regarding the characteristics of the documents, the results show a lack of homogeneity both in terms of general structure and in terms of data content; this

result is due to the lack of specific guidelines. To date, there are various standards for drafting a social reporting document, but most of the Italian Local Health Authorities use a free drafting criterion or one derived from internal working groups; this is due to a lack of compulsory publication and the absence of univocal guidelines for all the local health authorities, at the same time constituting an obstacle to improving the quality of the documents.

Limitations and future implications. The study has several limitations, first of all, dictated by the fact that the focus of the Italian Local Health Authorities does not allow a complete update of the state of the art on the issues of social reporting of healthcare facilities; furthermore, a further limitation consists in the analysis of only official documents published on institutional websites, thus excluding documents that are currently being published and have not yet been published but were presented during institutional conventions or press conferences. The difference in the standards used also does not allow for a consistent comparison, as each local health authority uses the standard it considers most appropriate. Obtaining a single standard in the future is of fundamental importance, as it would allow an effective and immediate comparison between the various Local Health Authorities, thus making it possible to spread knowledge about the management of Italian Local Health Authorities. A further limitation is the internal dissimilarity of social reporting documents social reporting reports must be consistent with all the internal sections and documents produced by the ASLs. The work carried out adds to the research in the field of social reporting in the health sector but, a further in-depth study is desirable especially in terms of continuity of drafting by going, over time, to check how many Italian Local Health Authorities continue to draft a social reporting document and check the adoption of standards, both in qualitative and quantitative terms. Moreover, the work focuses only on the Italian ASLs and one of its developments could be to extend the work to the entire Italian health sector.

REFERENCES

Airoldi, G., Brunetti, G., & Coda, V. (1994). *Corso di Economia Aziendale, Il Mulino*. Bologna.

Alesani, D., Marcuccio, M., & Trinchero, E. (2005). Bilancio sociale e aziende sanitarie: stato dell'arte e prospettive di sviluppo. *Mecosan*, *55*, 9-54. https://iris.unibocconi.it/handle/11565/4026655

Alesani, D., Tieghi, M., & Gigli, S. (2006). La standardizzazione della rendicontazione sociale: l'approccio delle aziende sanitarie. *Mecosan*, *25*(59), 9-33. https://cergas.unibocconi.eu/sites/default/files/files/Mecosan-59.pdf

Apuzzo, L. (2018). *Bilancio sociale nelle aziende sanitarie*. https://www.nurse24.it/specializzazioni/management-universita-area-forense/bilancio-sociale-aziende-sanitarie.html

Beckett, R., & Jonker, J. (2002). Accountability 1000: A new social standard for building sustainability. *Managerial Auditing Journal*. *17*(1/2), 36-42. https://doi.org/10.1108/02686900210412225

Borgonovi, E. (2004). *Principi e sistemi aziendali per le amministrazioni pubbliche*. Milano: Egea.

Borgonzoli, L. (2005). La rendicontazione sociale. *Strumenti*, 35, aprile/maggio, 6-17. https://www.mondadorieducation.it/risorse/media/secondaria_secondo/strumenti/strumenti_35/pag.%2006-17.pdf

Brown, H. S., De Jong, W. M., & Levy, D. (2009). Building Institutions Based on Information Disclosure: Lessons from GRI's Sustainability Reporting. *Journal of Cleaner Production, 17*(6), 571-580. https://doi.org/10.1016/j.jclepro.2008.12.009

Carroll, A., & Shabana, K. M. (2010). The Business Case for Corporate Social Responsibility: A Review of Concepts, Research and Practice. *International Journal of Management Reviews, 12*(1), 85-105. https://doi.org/10.1111/j.1468-2370.2009.00275.x

Comunicazione della Commissione al Parlamento Europeo, al consiglio, al comitato economico e sociale europeo e al comitato delle regioni. *Strategia rinnovata dell'UE per il periodo 2011-14 in materia di responsabilità sociale delle imprese*. (2011). COM 0681 definitivo. https://eur-lex.europa.eu/legal-content/IT/TXT/HTML/?uri=CELEX%3A52011DC0681

D'Alesio, L. (2004). *Rendere conto ai cittadini. Il bilancio sociale nelle amministrazioni pubbliche.* Collana Analisi e strumenti per l'innovazione. Dipartimento della Funzione Pubblica. Napoli.

Del Vecchio, M., & De Pietro, C. (2011). Italian public health care organizations: specialization, institutional deintegration, and public networks relationships. *Int J Health Serv, 41*(4), 757-774. https://doi.org/10.2190/HS.41.4

Del Vecchio, M., & Romiti, A. (2017). Il riaccentramento nel contesto pubblico: implicazioni per il governo dei sistemi e delle aziende sanitarie. *Azienda Pubblica,* 1, 13-32.

Fossati, S., Luoni, L., & Tettamanzi, P. (2009). *Il bilancio sociale e la comunicazione con gli stakeholdesrs.* Publisher Pearson. https://www.amazon.it/bilancio-sociale-comunicazione-gli-stakeholder/dp/8871925335

GBS. (2024). *Le attività del GBS.* https://gruppobilancisostenibilita.org/attivit%C3%A0

Giancotti, M., Ciconte, V., & Mauro, M. (2022). Il bilancio sociale in sanità: il caso italiano Ospedali pubblici. *Sostenibilità*. *14*(23), 15940. https://doi.org/10.3390/su142315940

Gigli, S. (2007). *La rendicontazione sociale nelle aziende sanitarie pubbliche.* Milano: McGraw-Hill.

Guerra, F., Gugiatti, A., Manfredi, S., & Oprea, N. (2023). La struttura e le attività del SSN. Chap. 2. In: *Rapporto OASI 2023. CERGAS* (a cura di) (pp. 33-81). Milano: Egea.

Gugiatti, A., Manfredi, S., & Meda, F. (2022). La struttura e le attività del SSN. Chap. 2. In: *Rapporto OASI 2022* (pp. 35-91). Milano: Egea.

https://cergas.unibocconi.eu/sites/default/files/media/attach/0022_Rapporto_OASI_2023_Capitolo_2.pdf
Macuda, M., & Toledo, M. A. R. (2020). The scope of environmental disclosure in the European healthcare sector - an empirical study. *Zeszyty Teoretyczne Rachunkowości*, *110*(166). https://doi.org/10.5604/01.3001.0014.5553
Marcuccio, M. (2002). La rendicontazione sociale per le amministrazioni locali come strumento di accountability e controllo strategico. *Azienda Pubblica, 15(*6), 637-672. https://acervo.enap.gov.br/cgi-bin/koha/opac-detail.pl?biblionumber=13529
Marcuccio, M. (2005). Il bilancio sociale e la comunicazione esterna dei risultati. *Azienda pubblica,* 1, 14-28.
Neri, S. (2008). Italia. La costruzione dei servizi sanitari regionali e la governance del sistema sanitario. *La rivista delle politiche sociali,* 97-115. https://www.futura-editrice.it/wp-content/uploads/2018/09/costruzione-servizi-sanitari-1.pdf
Paletta, A., & Tieghi, M. (2007). *Il bilancio sociale su base territoriale. Dalla comunicazione istituzionale alla Public Govenance*. Torino: Isedi Editore.
Perrone, P. (2004). La responsabilità sociale degli enti locali e la comunicazione dei risultati. *Azienda Pubblica,* 2, 25. https://www.aziendapubblica.it/fascicolo_contenitore_digital/dettaglio/autori-vari/azienda-pubblica-2004-2-azp_2004_2-80.html
Siboni, B. (2004). Nuovi strumenti di reporting sociale. Principi contenuti e una proposta di bilancio sociale. *Azienda Italia*, *11*(10), 3-19. https://cris.unibo.it/handle/11585/31449
Sorano, E. (2008). *Il bilancio sociale nell'azienda sanitaria.* Roma: Rirea.
Tieghi, M., & Gigli, S. (2007). *Gli strumenti di rendicontazione sociale in ambito sanitario pubblico: una panoramica sul contesto nazionale*. Novara: Isedi. https://cris.unibo.it/handle/11585/50448
Turzo, T., Montrone, A., & Chirieleison, C. (2024). Social accountability 8000: A quarter century review. *Journal of Cleaner Production, 441*. https://doi.org/10.1016/j.jclepro.2024.140960
Van Marrewikk, M. (2003). Concepts and Definitions of CSR and Corporate Sustainability: Between Agency and Communion. *Journal of Business Ethics*. https://doi.org/10.1023/A:1023331212247