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Abstracts of Parallel Session Papers Accepted

Pamela Anderson: University of Huddersfield
Accounting for Nutrition

The food industry has a large social and environmental impact and by its' very nature affects the lives of everybody in the UK. The shape of today's food industry has developed as a consequence of numerous (mostly profit driven) decisions taken since the Second World War and this has contributed to the many social and environmental problems we currently see. Whilst many in the industry are involved in Corporate Social Reporting their commitment to this could be questioned, especially in light of some of the production and marketing techniques used by the sector. This research aims to investigate the decision making process of the industry with particular reference to the role of both accounting and nutrition information.

Michele Andreaus: University of Trento
Some ideas for an integrated accountability

The accountability of a firm’s activity cannot only be connected to or based on the balance sheet. The accountability of a business cannot in fact be reduced only to economic and financial aspects but must also consider the relationship with its stakeholders and, undoubtedly, the firm’s ability to reach its determined objectives, which are not always and not only financial. This need for reporting involves all types of companies from for profit and non profit to hybrid organizations.

In an integrated approach to reporting, it is important to keep in mind: 1) what the institutional end result is; 2) what the social responsibility commitment linked to stakeholder rapport is; and 3) what the financial sustainability constraint is in a company, business or firm.

Reporting in particular in non profit and hybrid organisations, in fact, often confuses and confounds institutional aims, social commitments and financial constraints. As a result reporting documents are repeatedly weak, unrelated to institutional ends, focused on aspects which veer away from efficiency and are ultimately related to internal communication and not to reporting itself.

It is therefore important to differentiate between the three dimensions which underpin reporting in any typology of a firm. These dimensions are: a) the institutional purpose which represents the ability to reach the determined aims and where the tool is the mission statement; b) adherence to the social commitment where the reporting is related to the social balance sheet and consequently to the relationship with the stakeholders; and c) the adherence to financial constraints where the reporting may utilize the final balance sheet.

Our aim is to propose a working guideline which is able to link the tools presently in use within an approach, which if implemented, would allow much better integrated budgeting where the various reporting dimensions frequently produce overlap which in turn makes the reporting itself inefficient.

Oana Apostol: University of Tampere, Finland
In the name of societal interest? A social account of the effects of privatising a Romanian oil and gas company

Continuing Thatcher/Reagan policy to downsize the public sector, the current trend worldwide is to privatise state-owned companies. Privatisations are especially encouraged in young democracies, where the public sector used to play a significant role. In such contexts, public services and strategic resources are frequently placed into the hands of foreign investors in the name of serving societal interests. This study examines a peculiar case, where a Romanian oil and gas company has been privatised in 2004 to a foreign and partly state-owned company (Austrian state owned 35%). Departing from Cooper et al. (2005) idea of the social account, the paper aims to evaluate the implications of the privatisation from a broader perspective. The paper analyses the effects of this privatisation for Romanian society and the role of international financial organisations in promoting neo-imperialist practices.
The perceived importance of Corporate Social Responsibility (CSR) has increased in recent years in line with an awareness by companies, investors, and regulators that such policies can help manage risks and opportunities as well as build reputation and innovation. While a recent stream of accounting research has focused on the external obligations with respect to CSR strategy, little is known about the role of management control systems (MCS) in managing strategic processes for CSR. To improve our understanding of this phenomenon, this paper employs Simons (1995) levers of control (LOC) framework to explore how organizations leverage MCS in different ways in order to formulate, implement, and monitor CSR strategy. Drawing on data gathered from France’s largest listed companies – members of the CAC 40 – the paper offers comprehensive insights into the uses of MCS in managing CSR strategy. The findings demonstrate how all four levers of control are implicated in the processes involved in managing CSR strategy, enabling organizations to manage the inherent control tensions involved in undertaking CSR strategy. Furthermore, by employing the LOC framework in a CSR setting, the study enhances our knowledge of the uses of MCS, particularly in situations where strategic processes extend beyond the traditional boundaries of the firm.

**Keywords:** Corporate Social Responsibility – Management Control Systems – Levers of Control – CSR Strategy
In this paper we respond to the call for further research on whether the accountability disclosure of today is different from the social disclosure of the 1970s. We first attempt to determine whether (1) the extent of recent disclosure (pages and breadth of coverage) changed relative to the last Ernst & Ernst report (based on the 1977 disclosure survey), (2) the legitimacy factors that explained differences in disclosure then still explain differences in disclosure today, and (3) the market values social disclosure differently today than it did in the 1970s. While prior research has focused primarily on the environmental disclosure, in this study we include both environmental and social information, as this allows us to extend a broader set of existing literature. As noted by Hughes (2000, p. 210), costs likely to be incurred in the future to address environmental performance concerns often fail to meet accounting standard requirements that they be “reasonably estimable,” and as such are usually not recognized in financial statement presentations. Hence, the primary way in which our investigation differs from prior research is that we will be examining how the market values both social and environmental information over an extended period of time as opposed to cost proxies and/or environmental performance on a cross-sectional basis. In addition, we contribute to the literature by considering not only the extent of disclosure but also examining other relevant disclosure dimensions such as underlying themes, content analysis and/or the tone of non-financial information.

Jack Christian: Manchester Metropolitan University
Self in Nature

Science is about control. Technology is about control. Accounting is about control. Environmental accounting is about control. The environment is about development, adaptation, re-invention and growth. In the Western world we have become fixated with control. It began with a single, omnipotent theism; first represented by a creator far beyond the reach of man, and latterly by man himself who, by way of science, will control the universe, life, death and everything. But there are other ways and, reflecting nature, Deep Ecology calls for a plurality of views. It accepts there is no one way forward as individuals, species and eco-communities adapt and survive. Until all humankind can recognise itself in nature rather than in control of nature then sustainability is a pipedream.

Massimo Contrafatto: University of Bergamo
A Scottish Odyssey: Reflections on Accounting & Stewardship

Relationships that involve ‘human action’ and ‘social structures’ have been the subject of long academic debate and have involved many theorists within social sciences, including organizational studies and accounting. While several theories have been used, and developed, to explain how, why and when organizational practices are adopted, there is still a great deal to be understood about the dynamics through which practices are constructed. The purpose of this paper is to investigate the complex processes through which conceptual resources, values and principles are (or may be) translated into specific organizational praxis. A narrative of the attempts made by a value-based organization to develop and adopt practices which were grounded on the ideal concept of stewardship and related values and principles is reported (for a consideration of the concept of stewardship refer to Contrafatto & Bebbington, 2012). In particular, the paper seeks to investigate three aspects:

i) the symbolic structures and meaning systems of stewardship, as envisaged in the case study organization

ii) the intra-organizational dynamics through which principles and values of stewardship are translated into practices; and

iii) the role exerted by the process of accountization of stewardship: i.e. the development of accounting techniques to account, manage and report stewardship and the effects on various elements of organizational life including meaning systems, rules and routines.

This task was undertaken through prolonged action research which was conducted in partnership with staff and trustees of the Falkland Centre for Stewardship (FCS), a value-based organization operating in Scotland. Data and information were gathered through: i) semi-structured interviews with individuals who worked within the case study organization; ii) document analysis of the information available in the public domain; iii) participation in workshops and seminar organized by FCS and feedback prepared by the researchers about those meetings; iv) observations made in the field during the research; and v) photo and video. The empirical evidence has been interpreted through the lens of symbolic interactionism (Blumer, 1969) in order to construct a nuanced narrative of what has been defined as an ‘epic journey’ undertaken by the case study organization in its attempts to operationalize stewardship principles and values. In Falkland, metaphorically speaking, the process through which stewardship ideas, values and principles were translated into practice, appeared to be an ‘odyssey’, that is, a long series of meanderings and adventure filled with experience and hardship, prompted and guided by stewardship.
Organizational discourse and managers’ discourses around sustainability: performativity and contradiction in a confrontational setting

The research raises the issue of “understanding sustainability”. Focusing on the analysis of contradiction, reflexivity and inconsistency at an interactional level (Whittle et al, 2008), the paper analyzes managers’ discourses to illuminate the way in which they enact, reproduce and make sense of the formal organizational discourse of sustainability - revealed in the corporate disclosures and instilled by sustainability manager- within their own realm of action or professional jurisdiction. Despite the existence of a strategic approach to sustainability, and the performativity of this strategy to enhance the dissemination of the formal organizational discourse into the different managerial jurisdictions, the case also unveils contradiction and inconsistencies between the formal sustainability organizational discourse and managers’ individual discourses/understandings around sustainability. In doing this research we tried to avoid taking for granted considerations about the role of manager as a mere agent and performer of organizational discourse rather than a professional with skills and strong sense of responsibility and accountability (Melé et al., 2011).

The dark side of CSR reporting in financial institutions: A look at the perspectives of civil society organizations
(with José Mª Paez: Universidad de Cádiz)

The social responsibility of banks and financial institutions could be simply enunciated by doing their own business in an ethical and responsible manner. This seems not to be the case when looking at the practices of the worldwide financial industry. In this regard, many NGO’s like Friends of the Earth, Corporate Watch and Groundwork, Earthlife Africa Johannesburg and Bank Track have published shadow reports exhibiting the irresponsible behaviour of the banking industry.

Moving into the Spanish case, and despite of the active policy of Spanish saving banks and banks in terms of publishing CSR reports and/or engaging in GRI sustainability reporting, the current crisis has unveiled a completely different picture of banks and financial institutions’ social and environmental performance, which it does not portray the basic claims for sustainability. On the contrary, issues like multi-million rewards to top management, increased eviction due to mortgage non-payment, massive selling of high risk products -like preference shares- to many clients with scarce financial knowledge, massive trading of preference shares, high commissions and prices of Spanish banks and mass dismissal/layout as a result of merge processes during last years are good examples that support the lack of credibility of CSR reporting of financial institutions.

Thus, the aim of this paper is to reflect on the sustainability approach and the sustainability reporting of Spanish banks grounded in the perspectives of different civil society organizations which are playing and important role in exhibiting the irresponsibility and unethical behaviour of Spanish banks: OCU-Consumers’ organization, FACUA-Consumers in action, ADICAE-Association of saving banks, bank and insurance’ users, CECU-Confederation of consumers and users, Observatory of Corporate Social Responsibility and SETEM-NGO for international solidarity, among others, as well as trade unions and the media. Trade unions will also be targeted.

We will try to address first how the different NGO’ and consumer associations portray Corporate social responsibility and sustainability of banks in their shadow reports. Then, we will carry out interviews to gain additional information to analyse the role and effect of these shadow reports generated by the aforementioned civil society organizations to further discuss and shed some light on the effectiveness of stakeholder engagement in financial institutions to change current practice.
Nathalie Crutzen: University of Liege
Sustainability, Strategy and Management Control: A Review of the Literature
(with Christian Herzig: Nottingham University)

Previous research has underlined that sustainability performance measurement and control systems play a key role in implementing sustainability throughout an organization and in shaping processes of strategy making and deployment (Simons, 2001; Epstein and Wisner, 2005). Nevertheless, until today, many companies are still confronted to difficulties to “operationalize” sustainability and to translate their aspirations for sustainability into practice in the midst of many other business pressures (Epstein and Roy, 2001; Schaltegger and Wagner, 2006; Taplin et al., 2006; Accenture Research 2011).

Numerous and diverse research papers, mainly in the accounting and management control literature, have been dedicated to what can be named “sustainability performance measurement and control”. This research paper proposes a review of previous English-language literature dedicated to this topic. Its objective is twofold. First, as many terms and definitions have been used in previous literature, it tries to clarify key elements and concepts of sustainability performance measurement and management control. Second, it proposes an original framework for structuring this abundant and diverse literature. Several criteria such as the level of analysis, the dimensions considered, the methodology and the theoretical-conceptual perspectives chosen in previous research have been selected to structure the literature. The paper also highlights potential directions for future research.

Key words: Sustainability Performance Measurement and Control, Literature Review

Jesse Dillard: Queens University – Belfast and Portland State University
Designing Heteroglossic Social and Environmental Accounting Information Systems
(with Nivea Nicolas: Victoria University of Wellington; Judy Brown: Victoria University of Wellington and Val Hooper: Victoria University of Wellington)

Previous work has proposed heteroglossic accounting as a means wherein accounting information systems can support competing, and potentially incompatible, information needs of various interested constituencies (Dillard and Yuthas, 2011). Here we focus on the design of SEA information systems that take pluralism seriously. We theorize the challenges of designing such systems wherein the accountant is expected to address the needs of multiple users with different interests that may emerge from different economic, social, political and/or cultural perspectives, especially as they relate to sustainability reporting, ethical investment, participatory development studies, indigenous resource management, etc. Using agonistic pluralism, we attempt to move beyond the traditional, and generally co-opted, conceptualizations of “stakeholder engagement” and propose a framework for system design that can facilitate high quality and relevant SEA information systems that meets the needs of a wide range of actual and/or potential users. There is widespread agreement that stakeholder engagement in SEA is a “good thing” and the practice is promoted in academic and professional literature (e.g. by the Global Reporting Initiative). However, it has proven controversial in terms of both its conceptualization and operationalization. SEA researchers report that stakeholders are often not “engaged” in practice or, where they are, “stakeholders” are defined narrowly and/or their input is not taken seriously. Prior studies have considered the perspectives of managers and, to a lesser extent, stakeholders on these matters. The proposed framework extends the work of Dillard and Yuthas (2011) by focusing specifically on design and theorizing the social and political context wherein SEA information systems are implemented.


Patricia Everaert: Ghent University and Lies Bouten: IESEG School of Management, Lille-Paris
Waste Management disclosure on Websites of Polluters
(and Aurianne Lambert: Ghent University)

The objective is to investigate whether companies (polluters) make their waste policy available to the general public on their corporate website. Secondly, the factors influencing the decision to disclose this information are analyzed. Environmental performance data were received from a government institution, collecting data on different types of waste that companies produce. Two industries are included in this study: construction and food industry, making a sample of 445 companies. Voluntary environmental disclosure was checked on the websites of each of these companies. The results show that producing dangerous waste has more effect on waste reporting than the total volume of dangerous waste a company produces. Also size and the volume of safe waste are significant determinants of voluntary reporting.

Delphine Gibassier: HEC Paris
From Ecobilan to LCA: the French elite’s capture of environmental management accounting tools’ institutionalisation process in France

I explore the institutionalisation process of environmental management accounting tools in France. Based on the concept of institutional work, I analyse the role of the French elite in the institutionalising life cycle analysis (LCA) in France. This paper will focus on the following research questions: why is the French elite the main actor in the institutionalisation of environmental management accounting tools in France? How did the French elite contribute to their dissemination into companies, what are the elements and circumstances that contributed or restrained the institutionalisation of those tools in the French context? The study follows the tools historically from the 1990s to now, looking at the emergence, consolidation and maintenance phases of the institutionalisation process. This research shows that the cultural environment that shapes the elite also shapes what tool is accepted to measure the environment. The elite designed the tools that would be strategic for the French economy, and the diffusion was built on the social capital carried by the French elite, that joins the political and economic elite out of the Grandes Ecoles.

Keywords: life cycle analysis, elites, institutional work

Kathryn Haynes: Newcastle University and Alan Murray: Leeds University
Gender Equality and Sustainable Development: Towards an agenda for accounting research

The concept of sustainable development with its emphasis on equity, both intra and inter-generational, raises widespread equality and social justice issues. Yet while sustainability and gender equality have been of long interest to accounting researchers, few have considered how the two areas inter-relate theoretically and in practice. Drawing from feminist theory and ecology, this paper considers women's empowerment as part of the process of sustainable development, in eradicating poverty, enabling social justice and developing environmentally sustainable economies. It examines the tensions inherent in this agenda and evaluates its slow progress globally through successive UN declarations through to the recent Rio +20 declaration. In doing so it raises a new agenda for accounting research which links gender equality and sustainability.

Cynthia Jeffrey and Jon Perkins: Iowa State University
The Relationship Between Business Spending on Greenhouse Gas Mitigation Initiatives and Energy Taxes

Businesses that use societal assets such as air and water are often subject to energy taxes. These taxes impose a cost that should become part the production cost function for goods and services. Businesses, seeking to minimize the costs of production, should be motivated to invest in abatement activities, change their production mix to be more energy efficient, and/or reduce the use of fuel that produces emissions. When spending on these initiatives is less than the energy tax that would otherwise be assessed, profit will be maximized. We use panel data from 2002-2007 to examine the relationship between energy taxes and business abatement spending. To control for the introduction of the Emissions Trading System (ETS) in 2005, we bifurcate our data into the no-ETS and ETS periods. In the no-ETS period, we find a significant positive relationship between energy taxes and both business investment and business current expenditures for the protection of ambient air and climate. After the introduction of the ETS, there is no significant association between taxes and business spending. Finally, we examine the relationship between business spending and carbon intensity and find that neither investment expenditures nor current expenditures significantly affect carbon intensity in the sample period.

Keywords: business spending, energy taxes, pollution mitigation.

Matias Laine: University of Tampere and Eija Vinnari: Turku School of Economics
For the sake of impression? Benchmarking of social and environmental performance in Finnish municipal water utilities

This paper examines the system used to benchmark municipal water utilities in Finland. We pay particular attention to the dimension of social and environmental performance, which is of increasing significance also in local government organizations. We find that the water industry professionals in general view themselves as protectors of the environment rather than polluters and thus do not consider it necessary to benchmark the environmental effects of water services production. The system has more use as a tool of impression management than in the assessment and improvement of performance.
Carlos Larrinaga: Universidad de Burgos
Sustainability reporting, boundary work and organizational stability: a research engagement
(with Manuel Fernández-Chulian: Universidad Pablo de Olavide de Sevilla)

This paper reports a research engagement that investigates sustainability reporting as an activity that intends to construct a narrative of the organization to provide members of the organization a reality they can live with. Instead of studying the clean, final, sustainability report, this investigation focuses on the back stage of sustainability reporting in one Spanish savings bank, where the researchers engaged for more than three years. The paper explains sustainability reports as boundary objects, that occupy the space between loosely coupled parts of the organization and whose interpretative flexibility allow the unproblematic cooperation of actors with different interpretations of the organization. Different translations of discourses and actions ensure that the sustainability report be so ductile and ill-defined so as to limit the need of change. By editing the sustainability report any narrative that is not consistent with the approved CSR standards and categories is ignored and marginalized. Those translations and editions explain why sustainability reporting is not inscribing a more socially responsible behaviour of the case organization.

Keywords: Sustainability reporting; research engagement; organizational boundaries; boundary objects

Cheng-Han Leung and Rob Gray: University of St Andrews
Social Responsibility Disclosure in the International Gambling Industry: A research note

This paper reports on an exploratory study of CSR and social reporting by an international selection of companies in the gambling industry. As a preliminary excursion into the industry and its engagement with CSR, the present paper introduces the (unexpectedly scarce) literature on gambling and CSR and then sets out to examine the social and environmental reporting practices of companies in 6 countries. The prior literature gave little in the way of guidance as to what we might expect and thus the present study is explicitly exploratory and inductive. Disclosure turns out to be lower than expected in all areas other than reporting on employees and directors. Additionally, though perhaps less surprisingly, disclosures are dominated by regulated disclosure. The principal areas upon which companies in the industry might have been expected to deploy disclosure in support of (inter alia) their legitimation attempts – namely responsible gambling, customers and communities – were relatively unrepresented. Somewhat disarmingly, the levels of disclosure appear to be inversely related to the size of the company. The paper hopes to help open up further studies in gambling as well as encouraging disclosure studies on other industries and with international comparisons.

Rebecca Maughan: Dublin Institute of Technology
Where is the accounting? The role of internal accounting and external reporting in an emerging sustainability process (with Brendan O’Dwyer)

This paper considers the role of accounting and information systems in the initiation and evolution of a sustainability process. This paper stems from a longitudinal case study of the introduction of sustainability practices and reporting at Musgrave Group (Musgrave), a large Irish family owned company. Musgrave has been engaged in a sustainability practices (encompassing both sustainability practices and accounting), since the late 1990s and publishes independently verified GRI compliant sustainability reports. The study of the company has been ongoing since 2007 and has resulted in a considerable body of data from interviews and documentary analysis. The paper provides insight into the role of the internal accounting and information systems as a source of pragmatic legitimacy for the emerging sustainability process and the perceived failure of the external reports as communication tools.

Giovanna Michelon: University of Padova
CEO incentives and corporate social performance: Paid well for doing good?
(with Michele Fabrizi, University of Padova and Christine Mallin, University of Birmingham)

In this paper, we investigate how monetary vs. non-monetary CEO’s incentives affect corporate social performance. We find that CEO’s monetary incentives (equity incentives and annual bonuses) are negatively associated to CSP, thus indicating that CEOs do not expect to increase future shareholder value and profit by undertaking CSR activities. On the contrary, we find that CEO’s non-monetary incentives (age, turnover and entrenchment) are positively related to CSP, consistently with the idea that new CEOs have a longer time horizon while older and more entrenched CEOs feel less market pressure to obtain short term economic profits thus making them more prone to invest in activities encompassing the interests of other stakeholders. In further analysis, we find that CSP is systematically positively related to abnormal market returns and Tobin’s q, thus suggesting that CEO’s monetary incentives have the unintended consequence of making CEOs less willing to invest in CSR even if the market ex-post rewards these activities.
Cycling in Pangea: Theorising what might be a Circular Economy
(with Keith Skene: Leeds University)

The Circular Economy, a unique set of ideas adopted by China as the basis of their economic development over the next ten years, has brought the concept to the attention of western policymakers and NGOs. It has an interesting history, and a number of associative meanings. In order to understand this term, we will explore the historical, political, cultural and anthropological contexts that have surrounded its creation, before critically assessing the usefulness of its denotation and connotation.

The title of this paper, Cycling in Pangea, incorporates two fundamental ideas: the significance of cycling in the environment and in economics; and the significance of globalization in delivering environmentally sensitive industrial practice. The quantitative and qualitative aspects of material flux through the environment has significant consequences to the biosphere, and industrial practice lies at the heart of this issue, with extraction of resources and dumping of waste greatly impacting on the biogeochemical cycles that underpin our survival.

A revised definition of the Circular Economy, embracing society and focussing on process, in addition to product, while measuring outcomes in terms of ecosystem function rather than economic growth, is suggested. From this, a number of important research questions are identified.

Making Sense of A Sustainability Agenda in the Nigerian Banking Industry – A Case of Access Bank of Nigeria

This study aims to ascertain how sustainability is conceptualized, practiced and reported in the Nigerian Banking Industry choosing Access Bank of Nigeria PLC as a Case Study.

Design/methodology/approach
A mixed method comprising of interview and review of archival documents adopted. The sources consulted include; the internet, academic and professional journals, company annual reports and accounts and sustainability report. The approach is to make sense of what the chosen bank understands sustainability to be, why it matters, how it is reported and what benefit it derives (or expects to derive) from a sustainability agenda.

Findings
We expect to find if there is a clarity of understanding of the concept of sustainability and the motivation for its adoption. The drivers of sustainability will be revealed and a demonstration of a gap (if any) between what is practiced and what is reported.

Conclusion
We expect this research to contribute to the empirical work on corporate governance, social and environmental sustainability as conceptualised, practiced and disclosed.

Keyword(s): Sustainability, Sustainable Finance, Sustainable Banking, Sense Making, Stakeholders and Sustainable Reporting

Corporate Social Responsibility or Harmonious Corporations?: An interview-based study of senior managers of leading listed Chinese companies
(with Guliang Tang and Narisa Dai: University of International Business and Economics, Beijing)

This paper aims to investigate how the concept of corporate social responsibility (CSR) has been perceived by senior Chinese managers and identifies their motivations for corporate social disclosure (CSD). Semi-structured, in-depth interviews with senior managers of leading listed Chinese companies were conducted to gather information. We also interviewed a number of representatives from employees in order to collect evidence from their side. With many Western companies operating in China and China being one of the largest exporters globally, the integrity of social information disclosed by Chinese companies, and whether they treat CSD with the intention of discharging their social and environmental accountability to society-at-large, are issues of global significance. The paper discusses the institutional infrastructure and the business system of China and how the whole concept of CSR fits into that structure and whether companies treat CSR and CSD to project a more desirable image to their key stakeholders or do so as a means of achieving harmony both nationally and internationally.

1 The impact of trade on our planet has been labelled, by Alfred Crosby, as “re-knitting the seams of Pangea”. He was referring to the period, some 300 million years ago, when all the land masses on the planet were joined together. Trade, he suggested, has united humankind. However, this assumption, that there is a global destination with a single path to a sustainable future, is widely contested, as explored in the paper.
A number of studies in the financial accounting domain examine the role that corporate disclosure plays in explaining the relation between future earnings and current period stock returns. Based on the underlying assumption that stock prices reflect investors' expectations regarding the future cash flows of the firm and that beliefs about future earnings drive expectations about future cash flows, the studies largely show that higher quality disclosure is associated with stronger relations between future earnings and current returns where the association is measured as the future earnings response coefficient (FERC). This suggests that higher quality disclosure allows investors to better predict future earnings. Recently, Dhaliwal et al. (2012) extend this line of research into the corporate social responsibility (CSR) reporting domain. Based on a large sample of international firms, they find that FERCs are higher in years where CSR reports have been issued and thus argue that transparency in CSR disclosure results in current returns incorporating more information about future earnings. However, they make no attempt to assess the role that the quality of disclosures might play in this relation.

If, as argued in the social and environmental disclosure literature, CSR reporting is more about reducing exposures to the social and political environment than about providing transparent information to the market, we question the relations reported by Dhaliwal et al. (2012). Further, given the substantial evidence suggesting considerable variation in the quality of CSR reporting, we argue that any examination of the role that CSR disclosure plays in any arena requires taking the quality of the information provided into account. Accordingly, in this study we refine Dhaliwal et al.'s (2012) investigation of the role CSR reporting plays in explaining the relation between future earnings and current returns in three ways. First, we focus only on U.S. firms. This is relevant in that Dhaliwal et al. (2012), in other analyses in their study, find that the value of CSR information in the market appears to differ in the U.S. relative to other countries. Second, rather than including all years where firms have issued CSR reports, we focus on the first-time issuance of a separate report. As Dhaliwal et al. (2011) note, CSR reporting is sticky, and as such, focusing on the first issuance is most likely to capture meaningful changes in the overall information environment. Finally, and consistent with prior work in the financial reporting domain, we investigate whether differences in the quality of the information being disclosed are associated with differences in changes in FERCs.

Based on a sample of 102 firms issuing their first standalone CSR report between 2001 and 2009 inclusive, we find, first, that relative to the year prior to disclosure, the issuance of a report does not lead to differences in FERCs. This is in contrast to the findings reported by Dhaliwal et al. (2012). However, we also find that differences in report quality, measured using a 55 point content analysis scheme based on the Global Reporting Initiative’s G2 and G3 guidelines, are associated with higher current period returns and appear to explain differences in the change in the relation between future earnings and current returns across sample firms. Interestingly, the issuance of higher quality reports is associated with decreased FERCs. One possible explanation for this finding is that higher quality reports allow investors to more directly assess expectations for future cash flows, reducing their reliance on future earnings as a proxy for them. Overall, our results support the importance of assessing quality in examinations of CSR reporting.

**Keywords:** CSR disclosures, carbon disclosures, cultural dimensions.
Stakeholder dialogue comprises a vast and heterogeneous set of activities ranging from conversations, to written exchange of ideas, and general availability to confrontation (Burchell and Cook, 2008). Many accounts of stakeholder dialogue focus on principles and mechanisms directed towards designing, implementing and evaluating frameworks to engage with the various constituency groups (ISEA, 2005; Thomson and Bebbington, 2005; UNEP, 2005a, b; Bebbington et al., 2007; Boesso and Kumar, 2009; Brown, 2009; Belal and Roberts, 2010) and assessing the quality of such engagement (Friedman and Miles, 2006; Manetti, 2011). Nevertheless, stakeholder engagement and dialogue initiatives and the engagement of stakeholders remains an under theorized area (Greenwood, 2007).

This paper aims to responding to this call by contributing to the accounting and accountability research through a theoretically inspired review of the stakeholder engagement and dialogue literature. Indeed, little academic studies have examined the attributes of the power interactions between organization and stakeholders as a form of governing in the social and environmental accounting and reporting process (SEAR). In doing so, it aims to make two key contributions to the literature.

First, the research provides a theoretical contribution through engaging in the concept of governmentality introduced by Michel Foucault (Foucault, 1991; Foucault et al., 2007), and further expanded by Mitchell Dean (2009) whose “analytics of government” framework has proved to be useful for analysing the specific conditions under which particular forms of power emerge, exist and change (Russell and Thomson, 2009; Spence and Rinaldi, forthcoming). Although the foundation of power, the development of governable selves and the mentalities of government have been addressed within the accounting literature (Miller and Rose, 1990; Rose and Miller, 1992; Neu and Graham, 2004, 2006; Miller and Rose, 2008; Stein, 2008), Dean’s analytics of government has been rather disregarded. This valuable yet overlooked theoretical standpoint increase the explanatory power of the analysis that reveals how social and environmental accounting shapes forms of power and rationale in governing the engagement processes.

Secondly, at an empirical level this research offers a critical review of the current literature on stakeholder engagement and dialogue uncovering the concealed rationality behind a range of behaviours and mechanisms that are in place to govern the process. Specifically the paper provide a accurate indication of the key aspects of the analytics of governing stakeholder engagement and dialogue processes that rely on visible elements of power, specific ways of acting and thinking and social construction of identities. The research shows the multiplicity of ways in which the engagement and dialogue practice is problematized by organization to influence their accountability.

While research seems to acknowledge that stakeholders influence the development of disclosure policies (Epstein and Freedman, 1994; Tilt, 1994; O’Dwyer et al., 2005; Deegan and Blomquist, 2006), the development of knowledge and understanding of the mechanisms whereby power is exercised can provide valuable insights into how the sustainability reporting process is indirectly influenced by organisations and legitimised by engagement and dialogue. The paper can also contribute to explain why a diversity of stakeholders does not necessarily translate into diversity of outcomes (Elijido-Ten et al., 2010) and why stakeholder expectations seem to converge.

This work in progress develops quantitative silent and shadow accounts in the forestry industry. To this end, it compares the environmental disclosure of a large multinational company with those of the governments, the media, investors and environmental non-governmental organizations over a period of three years. Content analysis using sentence count classifies into 52 categories the information released about the case firm by all perspectives. These categories are then employed to highlight the dominants interests of each disclosing perspective. Comparisons between the level of disclosure from the firm and that of its stakeholders are then performed. Preliminary results suggest that, in general, most groups show an interest for disclosures covering the theme of sustainable development. However, more detailed analyses exposed significant differences in the attention of the stakeholders. Of particular interest is the finding that the firm covers in great length issues that do not appear to significantly concern stakeholders.2

Michelle Rodrigue: Université Laval and Charles H. Cho: ESSEC Business School

Quantitative silent and shadow accounts in the Canadian forest industry

This work in progress is part of a broader project on silent and shadow accounts. Another manuscript part of this project employs qualitative content analysis to compare corporate and stakeholder disclosures for the same reporting groups.

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Shona Russell: University of St Andrews
Fluid practices: governance and accountability for Scotland's rivers

Global change processes are threatening the sustainability of freshwater ecosystems. There is growing recognition of the need to protect biodiversity and its constituent ecosystems, particularly freshwater because of its importance to quality of life. Multi-stakeholder involvement in river basin management is a core characteristic of current freshwater governance. Integrated, participatory and social learning approaches have begun to reshape decision-making processes incorporating expert and local knowledge. However, our understanding of how decisions are made and how decision makers are held to account in the changing context of freshwater governance is very limited. ‘Being held to account’ in such circumstances extends beyond the periodic giving and receiving of accounts in accordance with defined responsibilities of principals and agents. How future societies, governments, organisations and communities decide to manage freshwater will have profound implications. This paper will present 1) an emergent framework for analysing multi-directional and multi-stakeholder accountability; and 2) a research design for examining these issues in river basin management in Scotland.

Amanda Tan-Sonnerfeldt: Lund University
Defining and redefining materiality in the context of setting sustainability assurance standards – who decides in the end?

The objective of this paper is to provide a better understanding of the challenges and development of the concept of “materiality” in the sustainability assurance standard setting space. The regulatory space metaphor has been used as an analytical framework to analyse how materiality has been continuously constructed, debated and negotiated by polymorphous actors adhering to competing ideals of sustainability reporting, assurance and regulatory logic. These actors include the IAASB, FEE, GRI, AccountAbility and NBA among others. Findings provide bases to discuss how different standard setters have addressed the materiality concept; and their tendency to distribute the discretion of decisions on materiality to users through the provisions of sustainability reporting and assurance standards.

Lorna Stevenson: University of St Andrews and Jan Bebbington: University of St Andrews
Global climate change and fossil fuel reserves reporting
(with Alison Fox, University of Dundee)

This project further explores Carbon Tracker’s Unburnable Carbon (2011) proposition and its implications through a series of expert interviews with a variety of financial market participants. In addition, a survey of reporting practices in seven countries with significant fossil fuel reserves and production activities is undertaken to document what information is currently provided that might relate to carbon constraints. Finally, a survey of existing reporting requirements for fossil fuel reserves (drawing from international and national accounting standards and stock exchange listing requirements) was conducted to ascertain the regulatory context from which any additional disclosures might emerge.

Yuki Tanaka: Hitotsubashi University Tokyo
Costs of Capital and “Time-related Value up” of Environmental Disclosure

We investigate whether voluntary environmental disclosure influences implied costs of capital (ICC). Prior research often focused on issue of reports rather than contents of those. Because of long-time-history and highly-developed practice about environmental reports, Japanese data has potentially to meet need for empirical evidence about contents of environmental reports.

Here are this paper’s findings. First, the longer the companies issue environmental reports, the lower ICC is. We call this “Time-related Value up”. Seconds, relatively high CO2-emissions and the change of emissions have positive significant association with ICC, but companies’ commitment for reduction of CO2 has negative significant association with ICC.

Keywords: Voluntary disclosure, Environmental reporting, Generalised Linear Model
Edward Tello-Melendez: Macquarie University
Management of Groundwater Resources in Australia: Accountability

This paper explores whether the potential application of Standardised Water Accounting (SWA), reflected in the Exposure Draft of Australian Water Accounting Standard 1 (ED AWAS 1), to report on groundwater resources will enhance the practice and accountability of groundwater managers. Effective and efficient water management is an essential element in alleviating water crises caused by misuse of water resources, and groundwater management poses many unique challenges. The paper develops theoretical framework of accountability in three main components: transparency, controlled relationship and power, drawing on the work of Gray et al. (1996), Roberts (2009), Shaoul et al. (2012) and among others.

Keywords – Water, groundwater, water accounting, social and environmental accounting, Australia

Martin Thomas: Change Leaders
Context-based sustainability (CBS) norms applied to economic capital

Widely accepted triple bottom line capital maintenance principles require sustainability criteria* to be established for all three capitals; economic, ecological and social. This paper extends the principles set out by McElroy to the economic capital of the reporting entity. It goes on to illustrate them with some practical business examples. Focus is therefore on tasks two and three of the policy cycle (overleaf).

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Application of Tasks 2 & 3 to Economic Capital of the Entity: The Prescribed Process

<table>
<thead>
<tr>
<th>2. Identify Key Stakeholders</th>
<th>3. Set Standards of Performance</th>
<th>Context-Based Norms</th>
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<tr>
<td>Identify capital stocks &amp; flows an organization should be having impact on in order to ensure stakeholder well-being</td>
<td>Determine responsible populations for ensuring the quality &amp; sufficiency of related stocks and flows</td>
<td>Allocate proportionate shares of stocks &amp; flows &amp;/or burden shares to produce &amp;/or maintain them to a specific organization</td>
</tr>
</tbody>
</table>

Examples for a typical business

<table>
<thead>
<tr>
<th>Shareholders</th>
<th>Long Term Lenders</th>
<th>Taxation Authorities</th>
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<tbody>
<tr>
<td>Equity in real terms</td>
<td>Loan repayment capacity</td>
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<td>Dividend Flows</td>
<td>Interest payments due</td>
<td>Tax payments as due</td>
</tr>
<tr>
<td>The Board of Directors</td>
<td>The Board of Directors</td>
<td>The Board of Directors</td>
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The challenge of developing economic performance metrics that are consistent with the principles adopted by McElroy’s Context-Based Norms for non-financial performance metrics.
This paper investigates the environmental issues caused by the oil exploitations in Nigeria. The paper attempts to deal with several questions. Who should be held accountable? What are the roles of the oil companies? What is the responsibility of the government? How to account for the damages? Are there any solutions? Researchers and the International Press report that the endless oil spill in Nigeria have created ecological disaster. A Nigerian oil tanker fire has killed more than 100 people and injured more than 20. While we are writing this article, this Thursday 14th of July 2012, in Zamfara State, Nigeria, a fuel tanker overturned in a road accident and poured its entire contents into a nearby river, potentially impacting the drinking water of millions of people in Zamfara and neighboring Sokoto state. When the Officials were notified, they say they currently don’t have the expertise or the equipment to clean up the oil and prevent another health disaster.

Petros Vourvachis: Exeter University
A Content Analysis of the Content Analysis Literature in Corporate Social Reporting Research
(with Thérèse M. Woodward, Kingston Business School, Kingston University)

This paper uses content analysis to examine the content analysis literature in corporate social reporting research over the last 35 years. It identifies 120 studies employing content analysis and subsequently uses an index form of the method to assess how the methodology has been applied in the literature by considering the specific decisions involved in content analysis (e.g. data used and coding units) as well as the wider theoretical context of those decisions (e.g. research questions asked and theoretical frameworks used). The paper identifies a number of issues of concern and concludes by discussing trends and proposing methodological refinements.

Keywords: content analysis, corporate social reporting, research methods, theoretical frameworks, index analysis.