The necessity of defining Sustainability Reporting for Disruption
Jeanette Vinke, American University at Sharjah

Within the context of the United Arab Emirates, this working paper analysis current definitions of Sustainability Reporting and finds that the lack of clear definition is used to maintaining the status quo. The paper starts with a review of inter-disciplinary literature and how Sustainability Reporting (SR) is defined currently within the Accounting Literature and in other disciplines. The consensus throughout is that there is no clear common definition. Using the case of the UAE, the definitions of SR and how these various definitions subsequently affect SR is explored. Data is collected and examined in two phases: Phase 1: Relevant Sustainability Reports of 143 listed companies in the UAE are examined Phase 2: 33 in-depth interviews are conducted to understand the forces that influence the prominence of the accounting of certain topics, and the marginalization of others. The results of Phase 1 provides insights into what companies consider to be Sustainability Reporting through the choice of aspects of sustainability that are being reported upon – or those that are kept silent about. The results of Phase 1 provide a deeper insight into how a variety of Accountants, Sustainability Officers, Regulators and other Experts see Sustainability Reporting and how these definitions affect companies and the sustainability of the UAE at large. The paper finds that currently SR is defined in most cases to maintain the current status quo; confrontation and disruption is avoided and consequently facilitates the currently unsustainable behavior. Ideas on how redefinition of SR can help to create necessary disruption are explored.

Strategic responses to external pressures for accountability: a case study on a large development NGO
Mohammed Mohi Uddin, Queen’s University Management School

Drawing on Oliver (1991), this paper argues that NGOs* make strategic choices (e.g. acquiesce, compromise, avoid, defy and manipulate) to maintain legitimacy, autonomy and power. Based on a large empirical data set from various sources, such as documentary analyses, a series of interviews (with BRAC’s* employees, donors, beneficiaries and other stakeholders), focus groups and observations, this research shows that BRAC made a number of strategic responses while faced with pressures for accountability from key external stakeholders, i.e. donors, regulators and civil society. Key findings reveal that BRAC’s strategic responses include: refusing to take funding from a funder and a donor to ‘escape’ accountability conditions; ‘co-opting’ powerful civil society members and international NGO personalities onto the board in order to neutralise pressure from civil society for accountability and to secure more funding respectively; ‘avoiding’ coercive accountability demands from regulators on several occasions; and successfully negotiating reporting requirements from key donors. The strategic responses coincided with its reduced funding dependency on donors. This paper contributes to NGO accountability literature by arguing that an NGO does not always cave in while receive external pressures for accountability; rather applies active agency and make strategic responses in order to maintain its legitimacy, autonomy and power.

Key words: NGO; accountability; strategic responses

On the role of accountants in the sustainability assurance process
Lies Buiten, IESEG School of Management

Third party assurance of published sustainability information has increased significantly over the last years (KPMG, 2013). There is, however, still a lack of in-depth research examining the processes by which these sustainability statements are generated (see O’Dwyer, 2011; O’Dwyer et al., 2011). In addressing this lack, the main aim of this paper is to understand the role of accountants in the sustainability assurance process. Based on field evidence gathered in two Dutch listed companies and their Big 4 sustainability assurance providers, we investigate the information exchanged and the actors involved in this process. In particular, this study delves into the process through which this new form of assurance is translated into operational tasks and routines in these companies (Cooper and Robson, 2006). This approach allows us to examine the contribution of accountants in the monitoring of sustainability data, as well as their interactions with other organizational members involved in the sustainability reporting and assurance process. The relations are analyzed both from the perspective of the firm and its assurance provider. In addition, we also unravel the interaction between these two parties in the assurance process. By engaging in in-depth case-based work, we attempt to increase our understanding of the interplay between the different parties involved in the sustainability assurance process. Finally, we also investigate whether, and if so how, the process of assurance may foster the elaboration of a sustainability policy.
An Examination of the Determinants of Integrated Reporting
Cynthia Jeffrey and Jon D. Perkins, Iowa State University

Research results indicate that corporate disclosure, which encompasses both mandatory reporting and voluntary disclosure, is relevant to stakeholders. Understanding the factors that impact the nature is therefore an important research question both in terms of facilitating valuation and for evaluating management decision outcomes. Until recently, corporate social responsibility (CSR) reports have generally been voluntary disclosures issued as stand-alone reports in the form of an addendum to the annual report (Jensen and Berg 2012, p. 300). In 2002, the first report was published that attempted to integrate both financial and nonfinancial information. The relevance of integrated reporting of has increased rapidly, and there is a growing demand for this type of report (Jensen and Berg 2012, p. 300). Previous research has examined factors that influence the issuance of an integrated, as opposed to a stand-alone CSR report. Jensen and Berg (2012) rely on institutional theory to predict the association between potential environmental drivers and the choice to issue either an integrated report or a traditional, stand-alone report. They find support for the relationship between the choice of reporting model and the financial system, the educational and labor system, the cultural system, and the economic system. Company-specific factors may also influence the decision to prepare an integrated report. Frias-Aceituno, Rodríguez-Arizo, and Garcia-Sánchez (2014) rely primarily on signaling theory (Baiman and Verrecchia, 1996) and the theory of proprietary costs to examine the association between company-specific variables and the choice of preparing either integrated or stand-alone reports, finding significant effects for size, profitability, the relative level of industry concentration, and use of GRI reporting guidelines on the propensity to issue integrated reports. While Jensen and Berg (2012) and Frias-Aceituno, Rodríguez-Arizo, and Garcia-Sánchez (2014) are among the few that examine the nature of the disclosure, i.e., whether a firm issues a stand-alone report or an integrated report, neither attempts to examine both environmental and firm-specific variables concurrently. Further, each relies on a single theoretical paradigm rather than attempting to integrate and predict outcomes based on a broader theoretical background. This research extends the previous research by simultaneously examining the association between both environmental and company-specific variables and the decision to prepare integrated, as opposed to stand-alone, CSR reports.

Keywords: Disclosure, Integrated Reporting.

An Examination of the Reporting Quality of Integrated Reports
Jon D. Perkins and Cynthia Jeffrey, Iowa State University

While corporate social responsibility (CSR) reports have generally been voluntary disclosures issued as stand-alone reports in the form of an addendum to the annual report (Jensen and Berg 2012, p. 300), the relevance of integrated reporting of has increased rapidly, and there is a growing demand for this type of report (Jensen and Berg 2012, p. 300). An important consideration is the quality of integrated reports. Previous research has examined both environmental factors (e.g., Jensen and Berg, 2012) and company specific factors (e.g., Frias-Aceituno, Rodríguez-Arizo, and Garcia-Sánchez (2014) that influence the issuance of an integrated, as opposed to a stand-alone CSR report. Clarkson et al. (2008) and Prado Lorenzo, and Garcia-Sánchez (2010) found that while the number of companies issuing CSR reports has increased in the past two decades, there are important differences in the relevance and quality of information published. However, studies to date have evaluated the association between environmental variables, company-specific variables, and reporting quality, as opposed to the existence of an integrated CSR report. Too often, stakeholders regard CSR disclosures “as ‘data dumps’ or, worse yet, greenwash” (Pojasek 2009). Evaluating not only the decision to produce an integrated report, but also the quality of the information, is therefore important. We investigate at two components of the quality of firms’ integrated reports (1) completeness and (2) conciseness. We measure the completeness of an entity’s integrated report using a measure of items based on the Content Elements for integrated reports contained in The International <IR> Framework. We measure the conciseness of an entity’s integrated report by using a Perl program to measure (1) length (in number of words), and calculating its Flesch Reading Ease Score and its Flesch-Kincaid Grade Level Score. We also use the Gunning Fog index, which looks at the relationship between sentence length and word length and evaluates how difficult it is to comprehend the textual material.

Keywords: Completeness, Conciseness, Integrated Reporting.

Emergence And Development Of Corporate Sustainability Reporting In Pakistan – The Institutional Logic Perspective
Zeeeshan Mahmood, Essex Business School

Purpose - The purpose of this paper is to explore why and how sustainability reporting has emerged in the corporate sector of Pakistan. Design/Methodology - This paper involves mixed methods and an engagement based field study to explore the rationale and process that leads to the initiation and development of standalone corporate sustainability report in six of the companies in Pakistan. The Institutional Logic Perspective (Thornton et al., 2012) was then used as a conceptual framework to analyse the resulting data. The framework is used for multi-level (including societal, field, organisational and individual) analysis of the processes
and mechanisms that has shaped the understanding of the concept of, and subsequent decision to report on, corporate sustainability. **Findings** – Initial findings suggests that the foreign influence and specific resource environment of Pakistan (characterised by acute energy crisis and other social, economic and environmental challenges) has provided opportunities for changes in material practices and symbolic representations. This results in the emergence of some new vocabularies of practice and has shaped the organisational and individual focus of attention towards corporate sustainability. This focus of attention leads to sense making and sense giving in social interactions that result in solutions/decisions like diversification, international expansions, energy conservation, corporate restructuring, corporate branding and initiating reporting on corporate sustainability. This social interaction also involves collective mobilizations for shaping the concept of corporate sustainability by promoting a specific version of corporate sustainability (that is sustainability of the business). Sustainability reporting in this regard is used as a mechanism to shape the future practise and to raise competitiveness/sustainability of the business through transparency and image building. **Originality/value** – This paper responds to calls for multilevel analysis and engagement based field studies which are scarce in the overall literature of corporate sustainability reporting. This research is also an attempt to contribute to the emerging scholarship of the institutional logic perspective by providing empirical insights from the context of less developed country. **Keywords** - Corporate Sustainability, Reporting, Institutional Logics, Pakistan, Less Developed Countries

Return to Friedman: A critical reflection on the evolution of the IIRC’s integrated reporting framework

Pieter Conradie; Neil Eccles and Rene Swart, University of Pretoria

It is almost customary to begin papers such as this one by reflecting on the rising attention over the past half a century or so which ‘everyone’ is purportedly paying to the interplay between business and society. Given the innovative character of the human species, there have been many varied responses to this attention over time. Arguably the most consistent class of responses has been the evolving efforts to simply satisfy the desire for corporate actions to be described. These efforts fall under the broad rubrics of social accounting and corporate reporting. Early social reporting efforts of the 1970’s; environmental reports post the Rio Summit in the 1990’s; and the governance reporting obsession post Enron in the 2000’s are all instances of this class of responses. Integrated reporting, the subject of this paper, is the latest manifestation of this. Our aim here is to narrate the evolution of the International Integrated Reporting Council’s International Framework for Integrated Reporting from an Initial Discussion Paper and via a Consultation Draft. We trace additions to and subtractions from this evolving document in relation to comments gathered during the consultation exercise. In doing this, we note which ‘voices’ were heard, and which were silenced. We do all of this using a Critical Discourse Analysis. Our analysis suggests a strong return to Friedman-esque notions of the business of business. We deliberate on this from the theoretical perspective of the cultural hegemony and the dominant voice of neo-liberal economics in all spheres of business today.

Management Control Systems And Human Rights: The Case Of Paris Saint-Germain Football Fans

Charles H. Cho, ESSEC Business School
Christine Cooper, University of Strathclyde
Floriane Janin, HEC Paris

In this paper we investigate how neo-liberal forms of control can constitute a breach of human rights. We draw upon Foucault’s biopolitics to explore the massive disciplining technologies of control exercised over Paris Saint-Germain Football Club (PSG) football fans by both the club management and the French government. Since the violent incidents that led to the death of one fan, drastic measures were taken to take much tighter control over various PSG fan groups. In 2011, Qatar Sports Investments (QSI) purchased PSG and these control measures were reinforced to the point where they have come under the scrutiny of the French commission protecting individual liberties (CNIL). One of the most controversial policies put in place by PSG was to exclude some fans directly from or around the stadium on “arbitrary” grounds and indirectly through a significant ticket price increase. Using both “netnographic” data and interviews with key actors and stakeholders, we examine and analyze the management control system(s) implemented by PSG management, in collaboration of the French government, in order to change the socio-demographics of its fan base and ultimately change its image and identity. We contribute to the literature by showing how neo-liberal management control systems can be implemented to discriminate against people on sociological grounds; thereby breaching their human rights.

Voices from the mines: The post-colonial flames liveth?

Sharif Mahmud Khalid and Jill Atkins, Henley Business School

We seek to pioneer a critical application of the supposedly lame duck post-colonial theory in the operations of Multinational Mining firms (MNM) operating in the developing world, thus, the role of the ‘occident’ (the developed world) through MNM firms as a vehicle in the shadow and window dressing processes of the corporate governance and sustainability agenda within the jurisdictional space of the ‘orient’ (developing world). With interviews from diverse stakeholders (i.e. CSR, Sustainability and Finance
Mangers, Mine worker Unions, Regulators, Community members and Non-governmental/Civil Society Organizations) within the high impact mining industry in Ghana, dating back as far as the 15\textsuperscript{th} century, we employ the post-colonial theory which still proves practical relevance in this day and age in the manner in which MNM firms operationalize their governance and sustainability agenda. This research seeks to illuminate the legacy and scares (negative and positive) colonialism have left behind from a critical perspective aimed at filling some gaps within the governance and sustainability discourse. Our conclusion is that slavery and colonialism might have been abolished, but its by-product of post-colonialism/neo-colonialism is more thriving than ever, more so within the noble course of the sustainability agenda. This research ushers in a grand novelty of theoretical perspectives. And as well as hidden realities within accounting research, as this to the best of the researchers knowledge serves as a trailblazer within critical accounting studies.

When accounting choices are not driven by opportunistic behaviours: the case of environmental accrued liabilities
Jonathan Maurice, Toulouse 1 Capitole University
This paper aims to determine the key drivers of environmental accounting choices that influence financial performance of companies. Are these choices mainly driven by opportunistic behaviours and economic considerations like other accounting choices affecting financial performance? Or, on the contrary, are they context-specific and mainly shaped by institutional pressures? To answer these questions, I focus on the decision process related to environmental liabilities recognition and to how/by who these decisions are taken. In the mainstream analysis of accounting choices, the amounts of environmental provisions are used to manage earnings, like most accruals. But in that perspective, no distinction is done between an environmental provision that requires, to be estimated, high technical skills and another provision that requires only an expert judgment. It is assumed that this specific context influences accountants’ decisions and that accounting choices are not only the results of opportunistic behaviours. To assess this idea, a multiple case study has been conducted through the analysis of companies’ documentation and semi-structured interviews with different actors of the decision process in companies recognising significant environmental liabilities. This decision process, which leads to environmental provisions recognition, could be analysed as a bottom-to-top, highly technical and standardized process that gives finally little flexibility to actors of the top management to manage earnings. These results emphasize that accounting is not only an “accountant activity” but is first, and foremost, the reflection of events, operations, economic or technical facts concluded, traded or valued by non-accounting professionals, reducing the leeway in terms of accounting measurement.

The Adoption of CSR Voluntary Initiatives: Social Responsibility or Colouring Reputation
Bertha Pérez, University of Edinburgh
This paper investigates the relationship between ‘greenwashing’ strategies and the rate of adoption of voluntary initiatives related to CSR over time. The large extant literature on sustainable initiatives looks at the drivers to embrace this kind of frameworks. On the one hand, studies of political-economy and sociological characteristics explain a number of reasons to adopt these initiatives either symbolically or substantially. On the other hand, it has been studied how these initiatives can be used as a blanket to cover unethical businesses (e.g. human rights) and to avoid being the target of campaigners. Symbolic practices including those to dismiss unethical actions are defined in the literature as ‘greenwashing’. Therefore, we study how the adoption of one of the largest global initiatives covering sustainability issues, the Global Compact, is related to this kind of strategies and how this relationship changes over time. We argue that leaders of the initiative (early adopters) are more committed to integrate the Global Compact principles within their operations than laggards (late adopters). This is, leaders fail less in submitting their annual report (Communication on Progress) and remain longer in the initiative than those adopters becoming members to clean their reputation. Using a sample of about 2,600 firms across 40 countries for the period 2000-2012 and drawing from economic and institutional insights, we systematically investigate corporate behaviour towards CSR practices to fill this gap in the literature. This is particularly important for policy makers, managers, responsible investors and other stakeholders interested in this kind of frameworks.

From share value to shared value: integrating IR into organizational practices –a journey
Delphine Gibassier, Toulouse Business School
Diane-Laure Arjaliès, HEC Paris
Michelle Rodrigue, University of Laval
This paper is motivated by the emergence of integrated reporting (IR) - a new accounting and reporting practice aiming to tackle the sustainable development challenge for corporations. We are interested in the implications of this new approach for strategy and accounting practices. Through in depth single case study of a French multinational that has started the IR journey in conjunction with a participation as a pilot in the IIRC program, we seek to respond to the following research questions: What are the challenges and difficulties faced when integrating IR into organizational practices? How does IR help organization reconcile the competing, conflicting or complementing stakeholders’ demands they face? One of our contributions will be to extend the sparse research
currently available on the IR practices worldwide, due to traditional difficulties to access organizations and the very recent emergence of the project, in order to provide insights on these issues. We will also contribute to the further understanding of the evolution of internal sustainability accounting practices and the link between accounting and strategy. This research answers recent calls for accounting research to address the relationships between institutions and practices (Lounsbury, 2008, Lounsbury & Crumley, 2007).

The Relation between Assurance Quality and Sustainability Report Restatements

Giovanna Michelon, University of Exeter Business School
Andrea M. Romi, Texas Tech University

Stand-alone sustainability reports have been linked to lower cost of capital, attracting dedicated institutional investors and analyst coverage (Dhaliwal et al. 2011), and increased analyst forecast accuracy (Dhaliwal et al. 2012), indicating the importance of accurate/reliable sustainability information. While prior literature finds external assurance increases financial reporting quality, it remains unclear, in a developing assurance arena such as sustainability reporting, whether this relationship remains. Currently, just over 80% of U.S. companies voluntarily provide sustainability reports (KPMG 2013), while only 15% of those firms employ some form of external report assurance (GRI 2013). This is in stark contrast to the world’s largest 250 companies at a 93% reporting rate and a 59% external assurance rate. In line with the assumption that assurance adds credibility to publicly reported information, the limited existence of sustainability report assurance (SRA) indicates the U.S. markets may be incorporating unreliable information into decisions. The instances of sustainability report restatements are undeniably common. In their 2013 study, KPMG found that a quarter of the largest 250 global companies issued a restatement of sustainability information in 2012 (33% in 2011). This is in contrast to the 6.29% of financial reporting restatements among all publicly traded U.S. companies in 2011 (USGAO 2013). In this study, we examine restatements associated with U.S. sustainability reports to determine whether sustainability report assurance is associated with greater reporting quality (lower restatements). Prior financial reporting literature generally assumes that as audit effort increases, the likelihood of restatements decreases because the auditor is more likely to uncover a misstatement during the audit (Shibano 1990; Matsumura and Tucker 1992; Dye 1993; Hillegeist 1999; Knechel et al. 2009). However, in the face of subjective reporting issues requiring considerable judgment, time required to complete the audit increases, resulting in the need to compromise between audit quality and economic viability (McNair 1991), which likely results in restatements (Plumlee and Yohn 2010). There are two factors distinguishing sustainability restatements from financial reporting restatements. First, while there is considerably more judgment required for sustainability assurance, given a lack of common reporting and assurance standards, SRA remains voluntary. Second, unlike financial reporting restatements, there is no standardized restatement reporting requirement. There is also no generally accepted format for providing restatements, either through filings or by means of an ‘announcement’. The importance of this study is evidenced by the fact that the aforementioned differences likely influence the relationship between assurance and reporting quality in a manner yet to be determined. Using a sample of U.S. S&P 500 firms from 2010 – 2012, we search the Corporate Register for stand-alone sustainability reports. We find that voluntary assurance is not related to the likelihood of sustainability report restatements. Within the SRA arena, there are two common types of external assurance providers, both professional accounting firms and consultants. Prior research recognizes differences between the characteristics associated with each SRA provider (Simnett et al. 2009a, 2009b; O’Dwyer 2011, Huggins et al. 2011; Peters and Romi 2014), and increasingly assumes greater reporting quality associated with professional accounting firms. In order to investigate the influence of SRA quality on sustainability reporting quality, we differentiate between SRA services provided by professional accounting firms and consultants and the effects of each of these groups on the likelihood of sustainability restatements. We find that better assurance quality is not associated with restatements, again indicating that SRA is not adding value to reported sustainability information. Finally, prior financial reporting research argues it is important to distinguish between restatements due to errors and those do to irregularities. This distinction is important because research hypotheses assume that misstatements are intentional and because investors and regulators view irregularities as much more severe (Hennes et al. 2008). Concurrent to this argument, there are two distinct types of sustainability report restatements. These restatements are due to both errors/mistakes in reporting, as well as to the ever-developing/Changing metrics adopted for sustainability measurement and reporting (KPMG 2013). After separating errors from metric developments, we find that SRA does not influence either type of restatement. Overall, we provide empirical evidence that SRA does not increase sustainability reporting quality.

Material environmental information in co-operatives’ reporting: evolving frameworks and practicalities

Minna Suutari, Aalto University School of Business

There are three times as many members of co-operatives as shareholders worldwide. The co-operative driven potential for advancing more sustainable future is global. From accounting point of view accounting for members may have wider role. Unlike listed companies, co-operatives normally cannot easily delocalize their business; member shares and reserve funds are at least partly locked-in. Defining and presenting material information has become a focal point in sustainability reporting framework
development (e.g. GRI G4, IIRC, SASB, new Accounting Directive 2013/34/EU); also concerning co-operatives (ICA 2013). In this study the purpose is to explore evolving integration and linkages between financial and sustainability reporting frameworks and take the co-operative identity into account. To which extend the co-operatives noted environmental events as material. Also what consequences in practical sense the evolving materiality focus may result concerning local information and integration of financial and sustainability reporting. The study exploits both archival and interview data. The sources of archival data for comparative content analysis were the list of co-operatives which reported according to the Global reporting framework in publishing years 2012 and 2013. GRI-reports were utilized from the same publishing year as the financial reports. To achieve more holistic view of the aspects of materiality determination and practical challenges in the co-operative context, it was conducted semi structured interviews in a case co-operative. Interviews focused on the materiality aspects especially concerning decision usefulness and member position including local information needs; materiality determination practicalities and linkages between the voluntary sustainability and mandatory financial reporting perspectives.

Keywords: materiality, co-operatives, sustainability, environmental, GRI, integrated.

Enactments and Social Dynamics of Sustainability: Public Sector Organisation’s Perspectives
Zarina Zakaria, University of Malaya
Zamzulaila Zakaria, International Islamic University Malaysia

By applying structuration theory (Giddens, 1976, 1977, 1979, 1984) with a case study approach of two public sector organisations, this paper addresses the multiple and/or fragmented meanings of sustainability as enacted by individuals involved in sustainability projects and activities initiated and implemented by the LA21 Units of these organisation. This study obtained the views and insights of both employees of the organisation as well as the stakeholders who are directly involved in various projects undertaken, totalled to 18 respondents altogether. Based on the duality of structure developed by Giddens, views of the respondents on sustainability initiatives are broken down into two main kinds namely discursive and practical which refers to the ability of to give an account of their conduct and their motivations for acting. Next, ‘rules’ and ‘resources’ that the actors employ in their social relations are used to understand the process of sustainability initiatives initiation. From the data obtained, both ‘rules’ and ‘resources’ within these social structures are discovered to be both enabling and constraining in relation to ability of both organisation and stakeholders in enacting sustainability agenda. Two forms of resources in the context of power relations i.e. allocative resources and authoritative resources are also evident in this study. This study also conceptualises the enactment of sustainability practice into signification, legitimation and domination modalities of actions.

Investor Views of CSR Activities: Evidence from Shareholder Voting in Director Elections and Say-on-Pay Votes
Charles P. Cullinan, Bryant University
Lois Mahoney, Eastern Michigan University
Pamela B. Roush, University of Central Florida

Research examining the relationship between corporate social responsibility (CSR) activities and shareholder value has produced mixed results. We seek to examine shareholder’s perceptions of the value of CSR activities, based on whether CSR activities are associated with shareholder support for the board of directors and management. If investors value CSR activities, they are likely to be more supportive of the board and management; if investors do not perceive the value of CSR activities, they will be less supportive of the board and management. We measure support for the board and management based on the level of shareholder voting in director elections and in advisory votes on executive pay (i.e., say-on-pay votes). We gather data from 9,314 director elections (from 1,517 companies) and 1,063 say-on-pay votes during 2013. We find evidence that CSR performance (in 2012) is associated with the percentage of shares voted in favor in both director elections and say-on-pay votes; CSR strengths are positively associated with voting results and CSR concerns are negatively associated with voting results. We also separated CSR performance into social, environmental and governance components. We find that social performance is the most important components in the relationship between CSR performance and voting, with environmental and governance performance exhibiting no significant association with shareholder voting. Our results suggest that shareholders do value certain types of CSR activities, and that they are more supportive of the board and executives when Social CSR performance in stronger.

A Longitudinal Study of Carbon Disclosure Strategy: Evidence from Utility, Energy and Mining Industries in the UK
Yang Stephanie Liu and Jessica H. Yang, University of Reading

The paper investigates how energy-intensive industries respond to the recent government-led carbon emission schemes through the content analysis of 306 annual and standalone reports of 25 UK listed companies from 2004 to 2012. This period of reporting captures the trend and development of corporate disclosures on carbon emissions after the launch of EU Emissions Trading Schemes (ETS) and Climate Change Act (CCA) 2008. It is found that in corresponding to strategic legitimacy theory, there is an
increase in both the quality and quantity of carbon disclosures as a response to these initiatives. However, the change is gradual, which reflects in the achievement of peak disclosure period two years after the launch. It indicates that the new legislations have a lasting impact on the discourses rather than an immediate legitimacy threat from the perspective of institutional legitimacy theory. The results also show that carbon disclosures are an institutionalised practice as companies in the same industries and/or with same carbon trading account status appear to imitate and adopt the industry’s ‘best practice’ disclosure strategy to maintain legitimacy. The trend analysis suggests that the overall disclosure practice is still in its infant stage, especially in the reporting of quantitative and monetary items. The paper contributes to the social and environmental accounting literature by adopting both strategic and institutional view of legitimacy, which explains why carbon disclosures evolve in a specific way to meet the expectation of various stakeholders.

**Key words:** Carbon emissions, carbon disclosures, content analysis, institutional legitimacy theory.

**Multiple Directorships and Environmental Disclosure – An Australian Perspective**

**Yeung Hong Tham, Curtin University**

The study’s primary objective is to examine the influence of board structure, in particular multiple directorships of board members on the extent of environmental disclosure within Australian publicly listed firms. Utilising resource dependency theory, and prior corporate governance studies, it is expected that firms with multiple directorships will encourage greater disclosure of environmental activities by firms. The extent of disclosures are measured using the Global Reporting Initiative G3 disclosure index based on environmental category which focuses on five different sub-categories with 30 individual disclosure items in total. The independent variable used for this study is multiple directorships which are measured in different ways. Results from data collected from 150 Australian public listed firms for the year 2012 shows that there is a positive association between the extent of environmental disclosures and directors sitting on multiple boards. Further analysis suggests that independent directors sitting on multiple boards are encouraging firms to voluntarily disclose more environmental related information compared to non-independent directors. The findings also point towards an association between firms in specific industries having higher level of environmental disclosures. The results are robust to alternative measures of environmental disclosures and multiple directorships. The findings of this study will contribute to the extant literature of board of directors, board structure and environmental disclosures. In addition to that, the findings will have implications to firms, scholars, stakeholders and regulators in Australia.

**Inter-temporal and International comparative institutionalism - A case study on hydro-electric dams in the Italian Alps and the Canadian Coastal Mountains**

**Michele Andreoas, University of Trento**

**Thomas Schneider and Dasha Smirnow, Alberta Business School**

This study explores the actions and actions related to the building of two hydro-electric dams in the 1950s to support post-WWII industrial growth in Italy and Canada. It focuses on the social and environmental considerations that were in play at the time of the dam building and follows the changing dynamics of the projects. Certain actors, such as the local indigenous populations, local citizens and the local fisheries began as invisible actors, but ultimately became key players in the continuing operations of the dams. Both dams were under private control over the first 50 years of operation. However, in Italy, ownership has reverted to the local municipality; while Rio Tinto Alcan owns the water rights in Canada, in perpetuity. Over the years since the dams have been built there have been many changes, including several legal challenges over how agreements that last in perpetuity can be amended. There are many interesting dynamics between the settings in Italy and Canada, both in the 1950s and in the subsequent decades. In Italy, the energy itself is now seen as a source of green energy, while in Canada it is still largely seen as a cheap source of energy for large industry. There are many lessons to be learned from this setting that apply to hydro-electric projects in the developed and developing world. The lens through which this project is perceived is comparative institutionalism, with the unique aspect of exploring the institutional settings from an inter-temporal and international perspective.

**Accounting Propositions for Sustainability Performance Information Systems: Environmental Aspects from UK Hotels**

**Vanja Vezgajic, Rochester Institute of Technology Croatia**

**Jackie Brander Brown, Manchester Metropolitan University**

The direction of current market trends is strongly oriented towards sustainable business development, including especially the explicit recognition of environmental aspects. Indeed, organisations around the world are increasingly recognising that they can gain enormous benefits if they are seen to be actively embracing environmental issues. In order to successfully meet the varied challenges of this progressively sustainable business context though, organisations are having to ‘rethink’ their accounting performance information systems – not least hotels, where concerns have been widely expressed that UK operations more typically focus on short-term, financially-oriented, ‘lag’ indicators. Notable suggestions offered for the development of effective sustainability
accounting systems especially encourage the inclusion of a balance of performance management indicators. More specifically, it is claimed that organisations which clearly address a range of environmental measures are much better able to create long-term value for all their stakeholders. Thus, in addition to the characteristic emphasis on shareholders and the financial community, it is particularly advised that these more balanced performance information systems should, as a first key step, embrace such significant environmental issues as energy consumption, waste management and carbon emissions. Furthermore, it is recommended that the implementation of these sustainability metrics is best done by integrating them within existing accounting information systems, while it is also proposed that businesses develop explicit links between managers’ and employees’ performance evaluations/subsequent rewards and their contribution to the organisation’s environmental achievements. Drawing then on evidence obtained via 20 case studies undertaken with environmentally-oriented UK properties, the aim of this paper is to identify and present a ‘natural’ process for developing and implementing environmental accounting information as part of an integrated hotel performance system. Such a methodology, it is advocated, should especially include the key aspects of identifying, documenting, evaluating, analysing, reporting and benchmarking of a hotel’s life-cycle environmental performance.

Behavioral impacts in the evaluation of socio-economic and environmental performance: Empirical evidence from measuring performance indicators of a company in the electricity sector in Brazil
Garcia dos Reis, Solange and Thomazella, Bianca: Universidade de São Paulo (USP)
Cintra, Yara Consuelo, Universidade Federal do Rio de Janeiro (UFRJ)
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Several studies have examined and proposed models to implement sustainability concepts in the management control systems of companies. Organizational teams have been facing the important dilemma of overcoming traditional behaviors regarding the preponderance of economic variables in measuring performance compared with social and environmental variables. We have analyzed the implementation process of a measurement system of social and environmental indicators at CBA Electricity (an assumed name) in search of evidence of the hypothesis of preference by managers for economic results to the detriment of socio-environmental ones. We also analyzed how this behavior may influence the interpretation of socio-economic and environmental performance by CBA. Data was collected through the filling out of forms on the following variables: the process and subjects of the decision, the selected indicators, the defined goals, the weights assigned to indicators and sets of indicators, as well as the performance of each one of the indicators in the years 2010, 2011 and 2012. With this data, we built an index demonstrating the balance level of CBA in the performance of the indicators in the three sustainability dimensions (economic, social and environmental). The index is calculated by applying the multi-criteria decision support model (MCDA) using the composition programming (CrP) methodology. It provides a performance measure gauging the distance of the current performance compared with the aimed ideal performance. The results suggest that CBA attaches importance to the sustainability theme and has made volunteer efforts to measure and follow up goals concerning social and environmental indicators; however, the preference for economic and financial results by management still prevails.

Keywords: Corporate sustainability. Social and Environmental Indicators. Multi-criteria analysis. Performance measurement.

Accounting for the Social and Environmental impacts of Small and Medium-Sized Enterprises (SMEs) in Sub-Saharan Africa: The Case of Ghana’s Artisanal Mining Sector
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Why do the small and medium sized enterprises (SMEs) which comprise the burgeoning mining economy of sub-Saharan Africa fail to account for their externalities, despite having such sizable environmental and social footprints? At present, the region’s artisanal and small-scale mining (ASM) sector is populated by tens of millions of people. Significantly, however, this group is highly-heterogeneous in its composition, comprised of operators with a range of skillsets. Focusing on the case of Ghana, the location of one of the region’s largest and more dynamic ASM sectors, this paper illustrates how a large share of the region’s artisanal and small-scale mine operators are in no position, financially and technologically, to account, more comprehensively, for key sustainability concerns. Specifically, these miners are unable to attend to their social and environmental problems because of numerous structural and policy barriers, which prevent them from formalising their activities. Can these operators, who, for the most, struggle to earn a daily wage, be empowered to the point where they in a position to account, more proactively, for the impacts of their activities?
Research engagement in accounting for sustainable development
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A substantial body of literature reporting research engagements in organizations has contributed to our understanding of the interplay of social and environmental management and reporting in organizational contexts. Adams and Larrinaga (2007) provided an examination of the methodological and theoretical implications of this form of research, particularly considering the managerial capture critique. But most research engagements have been confined to an organizational context, and more particularly to the analysis of the changes in management accounting and reporting practices. Recent discussions about sustainability science reveal that the organizations is but one scale among others in which knowledge about transitions towards sustainable development needs to be created. Further, sustainability science (Bebbington and Larrinaga, 2014) is based on radically new ontological and epistemological foundations, concerning not only social sciences but also natural sciences. This paper reviews research engagement literature in social and environmental accounting research to ascertain whether and how this methodology could provide an operationalization of the ontological and epistemological foundations of sustainability science as regards accounting for sustainable development.

A study on the environmental considerations made (?) in capital budgeting projects of Canadian organisations
Clémence Rannou, Université Laval

This study aims at exploring the extent of environmental considerations made within the long term investment process (capital budgeting) of Canadian manufacturers. The paper is focussing on an area between the traditional management accounting literature and the studies on management accounting and the environment. A questionnaire was designed and sent by email and then by post to Canadian manufacturers. Then, twelve follow-up interviews allowed deepening the understanding of the matter. The results show a lack of environmental considerations made outside the regulatory necessity and obvious high environmental risks or costs such as energy costs. Even in the case of a regulatory obligation of some kind of environmental impact assessment, this is not systematically realised. The domination of the financial direct (risks, costs) or non-direct (fine, penalties...) in the long term investment process is in accordance to the findings of surveys realised in the 90s. Despite an increasing public concerns over environmental issues, little appears to have evolved over the last two decades on environmental practices in this management accounting process. This paper discusses possible explanations to this phenomenon as well as possible avenues to overcome it in the future. Possible limitations to this study include the financial nature of the respondents’ jobs and thus a possible bias towards a domination of a financial discourse, as well as a low response rate to the survey. An exploration of environmental considerations in other management accounting processes may also give another story.

The power of water. A case study of the development and establishment of a water accounting and accountability system.
Leonardo Rinaldi, Royal Holloway University of London
Emilio Passetti, Institute of Management Scuola Superiore Sant’Anna

The aim of this working paper is to analyse the interplay between practices of account-giving, accountability and environmental governance with specific reference to water. The way in which accounting information connects with governing power is a question that has been variously addressed and conceptualised in the accounting literature. However, little academic studies seem to have looked at the extent to which accounting for water in the context of social and environmental impact is influential in governing the transition towards sustainability. In order to give focus to the insights, this working paper’s aim is addressed through the analysis of an exploratory case study. As a result, the practices and innovations that make (in)visible the impacts and interconnections of humans with water are examined and critiqued. The working paper provides theoretically informed empirical insights into how water accounting technologies contribute to shape forms thinking and acting and the role it may play in fostering disciplinary effects based upon social and environmental practices. It also examines the extent to which decision-takers frame and use the discourse on water to foster environmental governing effects based (allegedly) upon social and environmental ends.

Preliminary analysis of environmental and carbon emissions disclosures by Russian corporations.
Roza Sagitova, Audrey Paterson and Akira Yonekura, Heriot-Watt University
Jim Haslam, Newcastle University

This study is a preliminary analysis of the environmental and especially of the carbon emissions disclosures in Russia by large corporations. The study begins with critical review of the literature on carbon emissions disclosure practice. The review suggests that through qualitative reading of reports with the reference to a specific context, the analysis of disclosure practice can be fruitful. The literature review reveals that studies on the disclosure practice mostly focused on developed countries or compared it between
different companies across the globe. However, the practice in developing countries needs to be analysed and this study addresses this gap. Final section of the paper is the reflection of ways forward based on disappointing findings of the preliminary analysis which echoes findings of other studies. As a way forward the study suggests that there is a need to get sense of attitudes of business managers and accountants towards environmental and in particular towards carbon emissions disclosures in developing countries, as well as why according to those constituencies carbon disclosure fails. The literature on the attitudes of managers and accountants towards environmental issues reveals limited range of studies explored within developing countries, through addressing the Russian context this gap can be fulfilled. It is suggested that there is a need to talk with different groups about such issues as regulatory aspects of Russia, the influence of globalisation so to be able to manage environmental problems. The paper contributes to an understanding of the carbon disclosure practice research and suggests ways forward.

Recognition and Valuation Relevance of Asset Retirement Obligations by Canadian Natural Resource Companies
Yue Li, University of Toronto
Bruce J. McConomy, Wilfrid Laurier University
Thomas Schneider, University of Alberta
The Accounting Standards Board of the Canadian Institute of Chartered Accountants (CICA) promulgated a new accounting standard for fiscal years beginning on or after January 1, 2004, requiring entities, including natural resource companies, to recognize the fair value of their liability for asset retirement obligations (ARO) in the period that the liability is incurred. This study investigates the valuation impact of adoption of the new standard by Canadian natural resource companies and explores investors’ reactions to AROs. We find that (a) explicit recognition of AROs improves the market valuation of resource companies, especially for firms that did not voluntarily disclose “desired” ARO related information in the notes to their financial statements under the previous accounting standard, and (b) investors reacted differently to changes in the ARO for firms that did not make “desired” voluntary disclosures about total future site reclamation and restoration costs under the old accounting standard (vs. firms that made such disclosures). The findings have important implications for environmental accounting research and accounting standard setters.

The climate change-related disclosures and accountability practices of Australian NGOs
Shamima Haque and Helen Irvine, Queensland University of Technology
The focus to date on organisations’ accountability for achievements regarding their climate change agenda has been on the for-profit sector. However, without adequate and consistent data regarding Not-for-Profit (NFP) organisations’ achievements regarding climate change, stakeholders will be unlikely to assess and hold them accountable for their performance. This research contributes to accounting corporate social responsibility literature by investigating the accountability of Australian aid and international development non-governmental organisations (NGOs), a sub-sector of all NFPs, in relation to their climate change-related practices. Using a disclosure index that synthesized the standards of several national and international standard setting bodies, we analysed the public disclosures about climate change achievements made by a sample of NGOs, all signatories to the Code of Conduct of ACFID, the peak body of Australian development NGOs. While the highest number of disclosures in annual reports and on websites were on a commitment to ACFID’s Code and to an organisational climate change mitigation mission, overall disclosure rates were very low, as were disclosures about performance on emissions reductions. However, the frequency of emissions disclosures highlights that the number of NGOs not disclosing any information fell markedly from 2008 to 2012. This indicates that the ACFID Code, in highlighting the desirability for its member NGOs to report on their environmental goals and performance, might be providing the motivation for them to demonstrate greater accountability by disclosing an increasing level of information.

Keywords: NGOs; Climate change; climate change-related disclosure; stakeholders; accountability

Does Social “Closeness” Essential in The Medical Relief Ngo?
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The paper focuses on the “social” accountability mechanisms of NGOs and the functions of accounting in discharging accountability in the case of medical relief NGO. The accountability can be extended outside traditional reporting into forms of actions including conversation, behavioural explanations and reasonable conduct. Therefore, the research question emphasises on: How social relationship (between accountor and accountee) are formalised within the social community in the NGO? Thus, the study reveals the concept of social accountability including the obligations of any organisation to engage in negotiation and discussion with a wider society about its activities through social action. The theoretical contribution lies in its efforts to identify the “closeness” through the understanding of individual position related to “veil of ignorance”. The accountability paradigm emphasises on the rights, contracts and two parties (i.e. accountor and accountee) within the different societies. The central theoretical framework argues accountability is based on moral positioning of “individual”, which can be translated through language and social action. The
empirical contribution focused on case study for MERCY Malaysia, an international disaster relief NGO. Together the theoretical and empirical contributions of this thesis provide an understanding of representations of accountability relations, which can be explained beyond the traditional corporate social disclosure framework. For Mercy, this involves the use of annual reports and performance reports in negotiating physical access to relief sites. Besides, he social “closeness” within the community can be seen from the moral values imperatives that had driven by the trustworthiness and willingness of the people in the community to engage in the volunteering work.

**Keywords:** Social accountability; Closeness; Social disclosures

**Social and environmental reporting in healthcare: the case of the integrated university hospitals in Italy**

**Sara Moggi, Chiara Leardini, Bettina Campedelli: University of Verona**

This study presents an overview of the development of social and environmental reporting (SER) over the last years in a specific context of the healthcare sector. We focused our analysis on an integrated hospital, a particular kind of healthcare organization recently established by law that at the same time manages health, research and teaching activities. These entities are the result of a merger between hospitals and universities (the Faculty of Medicine). With the aim to improve the studies on accountability in healthcare and enrich the research on integrated hospitals, this study proposes an overview of social and environmental reporting practices developed in Italy. Aspects of accountability peculiar to both the university environment and that of the healthcare are considered in this study. To reach this aim, the research presents main SER standards published in healthcare and analyses how Italian integrated hospitals decided to embrace these frameworks, considering the identified best practices and analyzing the features of the published reports. The results provide an overview of practices undertaken at the Italian integrated hospitals over the last years and underline strengths and weakness of these cases. This research affords several suggestions for further studies on this type of integrated reports, whose usefulness is illustrated by the growing attention to this accounting tool in a sector of increasing importance.

**Key words:** healthcare system, Italian universities, higher education.

**Diffusion of Corporate Social Responsibility: Evidence from a Developing Country**

**Bedanand Upadhaya, Rahat Munir, Yvette Blount and Sophia Su: Macquarie University**

The aim of this study is to investigate the diffusion of corporate social responsibility (CSR) within an organisation operating in a developing country context. Unlike other management accounting innovations, such as Activity-Based Costing and the Balanced Scorecard, there remains a considerable debate about the diffusion of CSR within organisations due to the theoretical controversy as well as inconsistent and inconclusive empirical findings related to CSR and organisational performance. However, the notion of CSR has become an integral part of business imperatives and management practices in recent times. The study draws on the diffusion of innovation theory (Rogers, 2003) and applies the theoretical lens of Abrahamson’s (1991) “Managerial fads and fashions: The diffusion and rejection of innovation” typology. By adopting the case study method, the data were collected from the Case Organisation (an airline company operating in Nepal) by conducting semi-structured interviews. The findings suggest that CSR is mostly associated with philanthropic aim of the case organisation. However, some CSR activities of the case organisation are also found strategic. The dynamic force behind the diffusion of CSR within the case organisation is to enhance organisational reputation as well as customer satisfaction, which is expected to contribute to its social and environmental performance. This explains the efficient choice perspective of Abrahamson (1991) as the main reason for the adoption of CSR. No evidence is found regarding the forced selection perspective as there seems little influence of the government on the case organisation to adopt CSR. However, the media and NGOs are found involved in supporting CSR practices of the case organisation.

**The Effect of Stakeholder Pressure on Greenhouse-Gas Disclosure in the United Kingdom**

**Lytton Chithambo and Ven Tauringana, Bournemouth University**

This paper reports the results of an investigation into the effect of stakeholder pressure on voluntary disclosure of greenhouse-gas (GHG) emissions in the United Kingdom (UK). The study, which is grounded on stakeholder theory, also examines whether managerial characteristics complement various stakeholder pressures in explaining GHG voluntary disclosure. Data was obtained through a survey questionnaire of 1000 UK firms listed on the London Stock Exchange, to which 86 firms responded. The survey responses were then compared with actual disclosures in annual and sustainability reports of the respondent companies. The results indicate that GHG voluntary disclosure is affected by stakeholder pressure from the government/regulators, customers, employees and suppliers. Size was a significant control variable and its moderating effect was positive and significant on all pressures from all stakeholders except non-governmental organizations (NGOs), the media, shareholders/investors and the community. The relationship between managerial characteristics (conservativeness and hubris) and stakeholder pressure was negative and non-significant. The results have important implications for policy makers.
Corporate Social Responsibility and Firm Innovation
Dongyoung Lee, McGill University
This study examines whether CSR (Corporate Social Responsibility) is associated with a company’s innovative activities. Specifically, we focus on both patent applications and patent citations to capture the quantity and the quality of innovative outputs, respectively. We find that the level of CSR is positively related to the number of patent applications and the number of patent citations even after controlling for R&D intensity as an input of innovative efforts. Further analysis indicates that among various CSR activities, CSR engagement in both environment and employment areas appears to be the main driver of the positive association between CSR and patent outcomes. Finally, we find some evidence that the long-term earnings performance is higher for firms with superior levels of both CSR and patenting activities. Overall findings are consistent with the notion that managers engage in strategic CSR to help generate a sustainable competitive advantage.

The concept of "Existence Value": Another way to tackle and question Socio-Environmental Accounting
Alexandre Rambaud, Paris Dauphine University
Krutilla 1967 introduced the concept of “Existence value” (EV), defined as the benefit that consumers can have from the knowledge that an entity (like biodiversity) is preserved or continues to exist, independently of any use of it. This value is today a cornerstone of the neoclassical Sustainable Development (SD), particularly because of its important place in the Total Economic Value (Pearce, Markandya, & Barbier, 1989). Moreover, it is possible to prove that, if we accept a neoclassical approach of economics, sustainability cannot be achieved without the integration of this value. Under these conditions, the EV should be a key concept in socio-environmental accounting (SEA). However, as far as we know, the EV remains relatively unsung. So in a first part, we will come back on the EV and its relation with SD. Then, we will discuss the stakes of its integration in accounting (mainly financial accounting): we will highlight the reasons and the issues cited in literature and by practitioners for taking it or not into account(s). In particular, we will show that the EV questions some well-accepted accounting principles like the reliability of valuations. In fact, in a third part, we will point out that the EV, which is a mere consequence of the adoption of neoclassical economics and is necessary to a sustainable neoclassical economic system, reveals in the same time the limitations and deadlocks of the neoclassical approach of SD and of SEA. Thus from this analysis, we will present proposals to overcome these issues in SEA.

Motives and barriers of mandatory corporate environmental reporting in Chinese listed companies
Peng Song, Glasgow Caledonian University
The macro and micro aspects of environmental management have shaped corporate environmental reporting (CER) in China a brand new face. Since 2008, CER has been mandatory for companies listed in both Shanghai and Shenzhen stock markets in China. It is believed that the presence of regulations can make substantive outcomes visible to relevant audiences, so corporations will tend to higher level of environmental regulatory compliance. However, empirical findings have revealed that, despite mandatory CER, many companies either employ no CER practice or publish CER with low quality (Larrinaga et al., 2002; Day and Woodward, 2004; Criado-Jimenez et al., 2008). In China, scholars have paid little attention to evaluate the level of compliance to CER regulations, and further, if low compliance exists, to the reasons behind it. A gap needs to be filled regarding CER performance and the compliance level of Chinese companies. This will be our first original contribution to CER research. In addition to this, Qu et al. (2013) have identified there has been a significant gap in Chinese environmental disclosure literature regarding the impacts of a stakeholder power changes on corporate disclosure and how corporations respond to these changes. Equipped with content analysis and survey with questionnaire, the thesis aims, first, to critically evaluate the compliance level of CER practices employed by Chinese listed companies; second, to analysis the changed power of one stakeholder and its influences on CER behaviours; Third, to get in-depth understanding of motives and barriers behind mandatory CER in China.

Accounting and Economic Biases in Donations to NGO's: Building Better Metrics for Accountability
John Byrd, University of Colorado at Denver
Jane Cote, Washington State University
Donors cannot observe how well resources are employed by NGOs, making it difficult to assess worthiness. Several web-based sites, nicknamed charity watchdogs, provide data about not-for-profit organizations. These sites encourage donors to support organizations with lower overhead-to-program expenses and with minimal fundraising expenses. Recently the watchdog groups have reversed themselves on using expense ratios to choose organizations to support, concerned that an emphasis on expenses led to unreliable accounting numbers and insufficient funds to support an organization’s general expenses. The ability to scale up has replaced expense ratios as a key criterion for giving. This focus on scaling up is based on the argument that the need in areas such as international development is so great that NGOs must be able to quickly scale up to meet that need and thereby have more impact. This is a shift from examining inputs to outputs. Performance measurement should direct attention to the strategic mission.
Expense allocation and rudimentary output metrics fail to fully capture mission driven achievement. Plus NGO attention is diverted to meet these externally imposed criteria of success. NGOs and donors need a more nuanced approach to measuring effectiveness, based on outcomes identified by the clients being served. Accounting research can lead the development of a new system. Identifying the causal linkages between outcomes, process, and financial efficiency, then identifying valid measures and their relative importance, leads to an integrated performance measurement system that fully captures the NGOs impact. This better serves NGOs mission, their clients and donors.

**Social Accounting for a University Department**

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Social accounts give information to highlight the performance of an economic unit. Therefore, social accounting approach is relevant for a university accounting to assess social success, because of social objectives and reasons of its activities. Different approaches to social accounting are reviewed and checked whether they offer a bookkeeping approach to identify a periodical social success of an economic unit. Usual approaches to social accounting such as social audits, human resource accounting and corporate social accounting do not offer an integrated bookkeeping approach. Therefore, it has to be evolved. The development of this kind social accounting for a university is based on welfare theory and the evaluation methods of benefit-cost analysis. Basic decision on how to identify social success of the university department and the requirements of a bookkeeping approach determine the structure of the social accounting approach. An adequate bookkeeping system comprising the commercial and an additional social one has developed. A chart of an additional social bookkeeping and appropriate bookkeeping rules are suggested and assessment of social success, social balance and total social balance has to be done. The attempt is verified by bookings of stocks and flows relying on actual receivable data. Social benefits and costs stem from operations of the university department, which are due to the main tasks. There are considered main groups of tasks as teaching, research, consulting and management. Limitations of the approach due to the welfare theoretical base of the willingness to pay approach applied and possibilities for improvement are discussed.

**Keywords:** social success, social accounting, university management

**Impression Management in Sustainability Reports Graphs in Brazil**

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A growing number of companies that voluntarily publish sustainability reports (SR) combined with the motivations proposed by the Legitimacy Theory (Lindblom, 1994) may lead readers to question the trustworthiness of the information disclosed. There is the possibility that the organizations prepare those reports based in self-interest with the purpose of transmitting to the audience a particular set of information to achieve social legitimacy (Deegan, 2002; O’Donovan, 2002; Merkyl-Davies & Brennan, 2007). This study aims to investigate evidence of use of impression management in SR graphs of fifty public companies operating in Brazil. The sample consisted of 3,422 graphical information collected from SR published in 2011. The analyses comprised two forms of impression management addressed in the literature: selectivity and measures distortion (Beattie & Jones, 2008; Jones, 2011). The findings show that 66% of the information selected to be graphically displayed represent good news against 34% of bad news. Including the neutral information, the figures drop to 27% of good news; 17% of bad news and 59% of neutral information. As for distortion of measures, 54% show distortion for the better and 46% for worse. The quantitative empirical results found are, to some extent, aligned with previous studies (Jones, 2011; Cho et al., 2012a e Cho et al., 2012b). However, while they claim there is impression management as a bias in favour of the companies is numerically greater than against them, the authors understand there is not enough evidence to affirm that. The results are interpreted suggesting that they derive more from a faulty process of sustainability reports elaboration than from organizations’ Machiavellian plots for legitimation.

**Keywords:** Impression Management, Graphs, Sustainability Reports, Legitimacy Theory.