

**Abstracts of the Papers Accepted to the CSEAR UK Conference 25<sup>th</sup> – 27<sup>th</sup> August 2015**  
**WORKING PAPERS**

**Strategising Sustainability through Management Control: Insights into Barriers and Enablers from Two Case Studies**

**Christian Herzig, Jean-Pascal Gond, Suzana Grubnic and Jeremy Moon, University of Kassel**

Organizational and cognitive sources of resistance have been identified as key obstacles in sustainability implementation and sustainable transformation (Hoffmann and Bazerman, 2007; Winn and Angell, 2000). Whilst organizational and technical factors have been explored in the implementation of management accounting controls, the concept of perception has only been implicitly present in the management accounting literature (Ahrens and Chapman, 2004; Hopwood, 1972, 1973; Otley and Fakiolas, 2000; Tessier and Otley, 2012). Our paper builds on the management control and organizational theory literatures (e.g. Hoffman and Bazerman, 2007; Gond et al., 2012) in order to investigate the main barriers to and enablers for the adoption and implementation of controls for sustainability strategy. We draw upon a qualitative analysis of interview and documentary evidence on two UK corporate cases. Our results reveal which distinct factors can facilitate or prevent the "strategizing of sustainability" through management control, and enhance our understanding on the organizational, technical and cognitive processes influencing management control for sustainability issues inside organizations.

**Key-words:** Management control systems – Sustainability Strategy – Barriers and Enablers

**Organizational change in Spanish wine sector: insights for reflecting on the role of accounting in transitions to sustainability**

**Carmen Correa Ruiz and Esther Albelda, Universidad Pablo de Olavide (Sevilla)**

The European Commission has put forward a new definition of CSR as "the responsibility of enterprises for their impacts on society" (COM, 2011, p. 6), which offers new insights to think about business impacts on society. Climate change emerges as one critical area to foster and consolidate an innovative and sustainable economic model. Some organisations adopt a long-term and strategic approach to CSR to explore the opportunities coming from adopting eco-innovation and sustainable patterns of behaviour, although CSR process remains informal and intuitive, particularly in small and medium-sized enterprises. That is the case of the wine sector, extremely sensitive to climate change, and which has started to address sustainability promoting innovative products, services and business models that aims to contribute to societal wellbeing. As an attempt to cope with this challenge, the wine sector is currently involved in a wide range of initiatives that entail a commitment to reducing emissions; sustainable buildings; renewable energy and energy efficiency; sustainable agriculture and biodiversity; reduction of water footprint; eco-design; waste reduction; efficient distribution; research and innovation oriented to reduction of resource use and emissions; and communication and awareness to stakeholders about good environmental practices. However, accounting does not seem to play a visible role in the climate change challenge that the sector is facing. Exploring organisational change in the Spanish wine sector, this research tries to reflect on the contribution that accounting could make to foster more sustainable patterns of behaviour.

**Environmental reporting quality and management control systems: an empirical investigation**

**Silvia Pilonato and Federica Ricceri – University of Padova; Giovanna Michelon, University of Exeter;**

Environmental reporting quality and management control systems: an empirical investigation. According to legitimacy theory (Dowling and Pfeffer, 1975) there are two dimensions at play in an organisation efforts to attain legitimacy (1) actions (are the organisation activities congruent with societal values) and (2) presentation (do the activities appear to be congruent to the societal values). Each of these dimensions has received increased attention over the recent years, respectively from the management and the disclosure literature. However, at the best of our knowledge only very few studies have investigated the interplay between actions and presentation, and this is important in order to gain a fuller understanding of the legitimation process (Frost and Seamer, 2002). The aim of the paper is to analyze the interplay between the internal management control systems (MCS) and the quality of the environmental reporting (ER). Environmental Reporting (ER) refers to the information disclosed related to the environmental impacts of firms' activities and belong to the so called CSR reported information. Environmental Management Control System (EMCS) refers to all the devices and systems managers use to ensure that the behaviours and decisions of their employees are consistent with the organization's objectives and strategies, in regards to environmental issues (in this study, EMCS refer to the application of Malmi and Brown (2008) framework of "Management control systems package" to environmental issues). Empirically, we aim to test our research question by conducting a survey on UK companies belonging to environmentally sensitive industries (Cho and Patten 2007; Brammer and Millington 2005) and a content analysis of their Annual Report (or CSR reports).

### **Accountants, the Growth Paradigm and the Status Quo**

**Jeanette Vinke, American University at Sharjah**

The major accounting bodies, and the core concepts of the profession, stem from the beginnings of the Industrial Revolution, which can also be branded as the 'Fossil Fuel' revolution. This paper argues that the paradigm in which the Accountancy Profession operates remains firmly embedded in the Growth Paradigm. There is extensive literature available concerning the limits to growth, with various thoughts how accounting can be altered to put more emphasis on Human, Social and Environmental Capital. Various new initiatives around Sustainability Reports and Integrated Reporting have made sustainability salonfähig in mainstream accounting. This paper analysis data gathered over several years. It includes quantitative and qualitative surveys among members of various Chartered Accountancy bodies in the US, Canada, the UK, China and Singapore. It also includes intimate discourse gathered among closed-door meetings of members of various Accountancy Bodies which have taken place in New York, London, Hong Kong and Singapore. The study finds that, although there recognition about the importance of sustainability, the discourse remains firmly placed within the Growth Paradigm. Discourse, opinions, priorities and actions point towards the majority of accountants maintaining the status quo. It questions whether the accounting profession is best placed to lead some of the changes necessary to a more sustainable financial system.

### **The changing face of NGO governance: a political economy perspective**

**Mohammed Mohi Uddin, Queen's Management School**

Drawing on a political economy perspective, I argue that colonial legacy, state control, international aid politics and global capital play active roles in shaping NGO (non-governmental organization) governance. Based on an empirical data set from a number of sources, such as semi-structured interviews and historical documents, the research shows that, while meeting the minimum requirements from state regulations, BRAC made a number of proactive moves, such as invited friendly people, professionals linked with international aid chain, influential civil society members and prominent businessmen on to their board, in order to maintain: the control of the organisation by the founder; legitimacy and secure resources. This paper contributes to NGO governance literature by arguing that multiple factors play roles in shaping the governance of a large NGO, and a radical approach is necessary in order to reshape the NGO governance and improve stakeholder accountability.

### **Neoliberalism diffusion - the role of tax consultancy**

**Oana Apostol (University of Turku, Finland), Alina Pop (Christian University, Romania)**

The past decades witnessed an unprecedented worldwide rise of neoliberalist ideology. This ideology succeeded its diffusion from capitalist societies to countries outside the Western world in a relatively short timeframe. Prior literature examined various mechanisms deployed in making neoliberalist ideology to be accepted in society and be taken for granted both in the West and other societal contexts. Most studies, however, focus on diffusers and mechanisms of diffusion, while neglecting the agency of the ones located at the far end of the diffusion process. In particular, how these "end users" resist or accept new ideological thinking to which they are exposed is a particularly relevant research aim. In this study we examine neoliberalist ideology diffusion in the context of tax consultancy industry. In particular, we look at one essential element of neoliberalist ideology - profit maximisation, which in the case of tax consultancy implies tax minimisation for business customers. The contextual setting of this research permits investigation of how this ideological thinking diffuses from the Western world to a country with a recent democratic track, Romania. Interviews with tax consultants and tax inspectors operating in Bucharest reveal that profit maximisation via tax reductions is a recent phenomenon, present mostly in large, multinational accountancy firms. While these firms are highly pro-active in promoting tax minimisation, in contrast, local tax consultants are mostly concerned with tax compliance. We identify various concrete mechanisms through which the diffusion takes places, such as education and social networks. However, we find that ideology secures itself in new places by being socially endorsed by its end users. This in turn happens by ideology's ability to cultivate desires for the end users, such as a privileged professional status. Thereby, neoliberalist thinking succeeds in overcoming natural resistance to change and becomes accepted as such, as a desirable way of seeing and doing things.

### **Corporate responsibility reporting in developing countries: a systematic literature review between 2005 and 2013**

**Muzammal Khan and Abeer Hassan Univeristy of the West of Scotland**

This paper aims to systematically review the current state of research in Corporate Responsibility Reporting (CRR) within developing countries, focusing on the years 2005 to 2013. The review is performed for two primary reasons: (a) to fill the gap in systematic review of CRR research, and (b) to provide directions for future research on developing countries. To achieve this aim, 63 articles are selected and investigated as a result of an extensive literature examination in various academic databases. These articles have dealt explicitly with CRR in developing countries. Many aspects are tested in this review, including research trends, research focus, geographic

representation, theories, method of research, limitations, as well as future directions in this area of research. The findings reveal an overall surge in CRR research in developing countries, particularly Asian countries. The investigation into CRR reporting practice is timely given the general lack of literature on CRR in developing countries in general and in the context of specific countries in particular. Moreover, an evolution is observed in the themes and terminologies used in the literature. In terms of the research method applied, a majority of researchers used quantitative approach, particularly content analysis, to investigate CRR while highlighting various limitations. Furthermore, the paper provides guidance for future researchers in developing countries as there is evidence from the review that many factors should be taken into account such as: (1) enriching literature in developing countries in general, (2) focusing more on some industries and countries that have been ignored in previous literature, (3) exploring the perceptions of people (managers and stakeholders) that are involved to enhance the level of corporate responsibility in developing countries and (4) replicating more reviews in CRR research.

### **Oil Spill at Enbridge: From Pipeline Cracks to Governance and CSR Recognition**

**Michelle Rodrigue (Université Laval) Denis Cormier (ESG UQAM) and Michel Magnan (JMSB Concordia University)**

On July 25, 2010 occurred the biggest continental oil spill in U.S. history. A ruptured pipeline owned by Enbridge, a Canadian energy corporation, spilled crude oil for 17 hours before the leak was discovered and emergency and remediation measures undertaken. Wetlands and rural communities near the Kalamazoo River in Michigan were severely affected by the spill of more than 840 000 gallons of crude oil, suffering environmental damages and adverse health effects (NTBS, 2012b). After a 2-year in-depth inquiry, the United States' National Transportation Safety Board (NTSB) concluded that the pipeline rupture and oil spill was caused by four types of deficiencies in Enbridge's operations: (1) deficient integrity management of the pipelines; (2) insufficient public awareness program to help citizens report spills; (3) inadequate emergency response program and (4) human factors, mainly lack of training and a culture of deviance (NTBS, 2012a). While the environmental and community damages for which Enbridge is responsible cannot be ignored, external reactions to the spill in the sustainability accounting and governance world are quite paradoxical. Enbridge received many corporate citizenship awards in 2010 and 2011. The company also published a 2010 sustainability report detailing the spills and the firm's response to the incident, report for which it was awarded a reporting award by the Canadian Institute of Chartered Accountants in 2011. It was also ranked in the first quartile of Canadian listed companies in terms of governance quality for 2009 onwards. The purpose of our research is therefore to study these sustainability awards, reporting and governance paradoxes within the Enbridge case to deepen our understanding of why this environmental catastrophe was apparently "unpunished" by external sustainability assessors.

### **Panda Accounting and Accountability**

**Longxiang Zhao and Jill Atkins (Henley Business School, UK)**

Accounting for biodiversity is being increasingly discussed by the academic accounting community in relation to corporate disclosures of strategies and initiatives aimed at conserving, protecting and enhancing biodiversity. The majority of research focuses on accounting for biodiversity generally rather than disclosure of corporate activities relating to specific species. Further, biodiversity accounting research has concentrated on Europe, Africa and South America, with little work considering Asia. Biodiversity in China is affected significantly by the extractive industry. The giant panda is a high profile endangered species which is indigenous to China. The species has been threatened in recent years by habitat fragmentation predominantly from mining activities, as well as by overexploitation and climate change impacts. Pandas are protected by government and non-governmental organizations such as the Worldwide Fund for Nature (WWF). Currently, there is no published research investigating accounting for biodiversity by Chinese listed companies, and nothing on panda accounting and accountability. This paper studies the sustainability reports, annual reports and corporate websites of all extractive companies listed on the two Chinese stock markets (Shanghai Stock Exchange and Shenzhen Stock Exchange) in order to explore their level of accounting and accountability for biodiversity and specifically their activities in relation to panda conservation and protection. Our study seeks to raise corporate and social awareness of increasing biodiversity loss in China and potential extinctions of high profile species such as the panda, in order to encourage dialogue and debate surrounding the potentially powerful role of Chinese listed companies in biodiversity conservation, protection and enhancement.

**Key words:** Accounting for Biodiversity, Giant Panda, Corporate Accountability.

### **A Comparative Empirical Analysis of the Determinants of Early Integrated Reporting Practices in Japan and the UK**

**Kimitaka Nishitani, Katsuhiko Kokubu (Kobe University) Jeffrey Unerman (Royal Holloway, University of London)**

Financial stakeholders are increasingly recognising the longer term financial impacts arising from social and environmental impacts. This has led to a demand for sustainability reporting to be integrated with financial reporting. One manifestation of this is integrated reporting (IR). The purpose of this study is to clarify the advantages and issues needed to diffuse IR practices in Japan and the UK. Because IR is far more than simply combining a financial report and a sustainability report into a single document, the difference in previous sustainability reporting (SR) practices in these countries may differently influence the approach of IR practices (Krzus, 2011, IIRC, 2013). For this purpose, this study will conduct a comparative empirical analysis to uncover the determinants of early IR practices in these countries from the voluntary disclosure theory and sociopolitical theories perspectives. If sustainability is actually incorporated into strategy and the financial and sustainability aspects are interrelated, voluntary disclosure theory should be applicable to IR practices (Clarkson et al., 2008; Jensen and Berg, 2012). In contrast, if IR practices are not different from previous SR practices, sociopolitical theories should be applicable as many previous studies of SR suggested (Cho et al., 2012). However, because previous SR practices were different between Japan and the UK, the suitable theory for IR practices is not necessarily uniform in these countries. Accordingly, this study aims to provide meaningful practical implications for IR practices, regardless of the presence or absence of difference in results.

### **Effectiveness of Organisations' Environmental Disclosures: The Influence of Disclosures on Individuals' Social Legitimacy Judgements**

**Jamie O'Neill (University of Bath)**

Organisational legitimacy has been extensively employed in the explanation of companies' environmental disclosures. However, the effect of disclosures on legitimacy judgements of individuals who receive them has been subject to little research. This is surprising as 'legitimacy resides in the eyes of individuals'. But individuals' reactions has received relatively little attention in social and environmental accounting (SEA) research. Instead individuals are typically assigned to a role of 'passive consumers' of disclosures. However, persuasion and media effects literatures indicate that individuals do not passively accept information that they receive (Petty et al. 2002). Instead many moderating factors characterise the cognitive process underlying individuals' reactions to mass media information. Drawing from these literatures, a conceptual model was developed. Based on the model, information attributes, new to SEA research – environmental value frames and company credibility together with level of individual environmental value importance of individual recipients, were predicted to effectively influence individual social legitimacy judgements and behaviour. These were tested by way of an experiment. Results indicated that a value frame transmitted by environmental groups negatively affected individuals' social legitimacy judgements, but value frames transmitted by companies were not found to have an effect on individuals. However when the credibility of companies transmitting the frames was perceived as high, the effect of company frames was found to be significant. By concentrating on individuals – 'beholders of legitimacy' and their successful reaction to companies' environmental disclosures, the results add to the SEA research. Significantly, findings demonstrate elements of companies' environmental disclosures which successfully impact the legitimacy judgements and consequent behaviour of individuals. Further, results of the study advance current understanding, in the SEA field, of the role of news media, media frames and company credibility.

### **The Impact of Information Asymmetry on CSR Disclosures**

**Janet Mack , Kerrie Sadiq (Queensland Institute of Technology)**

This research uses a case study approach to address the impact of information asymmetry on Corporate Social Responsibility (CSR) reporting by companies. Although CSR reporting is largely voluntary, it has become standard reporting practice worldwide (KPMG 2013). This suggests that companies see advantages in CSR reporting. Research in the United Kingdom that has examined the motivations of companies supports this proposition (Idowu and Pappasolomou, 2007). They find that companies believe that CSR reporting is good for their business. However, there are also criticisms that the voluntary nature of disclosures mean that companies only disclose CSR information that reflects positively on them or mitigates bad news and withhold information that could be perceived to impact negatively on the company (Mahoney et al., 2013). It has been argued that companies do this to enhance their legitimacy and that they are able to do this because of the information asymmetry that exists between the company and its stakeholders (Deegan et al., 2002). In this case study we examine the CSR disclosures of Australian mining companies with respect to their role in the development and implementation of a new resource tax. We find that the mining companies were opportunistic in their CSR disclosures. Information that portrayed them as good corporate citizens (demonstrated their legitimacy) was disclosed while information which portrayed a contrary view was withheld. In particular, information relating to their political lobbying which both brought down a prime minister and ensured that they would not pay any additional tax as a consequence of the new resource tax was not disclosed. We argue that they were able to do this because the activities were generally invisible to stakeholders.

### **The genesis and evolution of SEA: a genealogical analysis**

**M. Contrafatto (University of Bergamo), J. Ferguson (University of St Andrews) & M. Laine (University of Tampere)**

Social (and environmental) accounting (SEA) literature has developed swiftly over the past decades (e.g. Thomson, 2007; 2014) and has gained wide prominence within the management and accounting literature. As noted by many commentators, much of the existing academic contributions stem from (and are focused on) Anglo-American countries, UK and Australia in particular (Larrinaga & Correa, 2010). Similarly, the investigation of the origins, development and diffusion of SEAR practices outside this context have seldom been undertaken. However, it is widely acknowledged that these practices differ from one country to another (see Unerman et al., 2007). As argued by many accounting historians the exploration of the origins of accounting practices is important not only per se, but also because the study of the past is a sine qua non for understanding the present and future developments of any disciplines, including accounting (Miller & O'Leary, 1987). This research project intends to provide a historical analysis of the genesis and evolution of SEA. The purpose, in particular, is to offer a theoretical-grounded understanding of 'how' and 'why' SEA emerged and developed in Italy as it did. The focus will be on the "ensemble" (Miller & Napier, 1993) of factors, conditions and events within which SEA, and related practices, were constructed to become part of the accounting 'world and discourse'. The analysis will be framed through the Foucaultian-based perspective of "genealogy of calculation" (Miller & Napier, 1993). A "genealogy approach" aims at "re-affirming the historicity of accounting techniques" which have been part of accounting over time. To re-affirm a historicity of "accounting" means to understand the genesis and evolution of accounting and its techniques in the particular social, economic, cultural and political contexts within which they arose and developed. From this perspective, to undertake a "genealogical analysis" of social accounting means to attend to the "forming [processes] and contingencies of an ensemble of events that create the conditions for the development" of social accounting discourse, meanings and practices (ibid, 1993). In order to investigate these issues a qualitative study will be conducted. Data and information will be gathered through several research methods, including archival study, interviews and document analysis. Our main sources of data include scholarly publications, professional magazines and academic curricula. In addition, a few interviews will be undertaken with key academic national figures (e.g. Prof. Maticena, Vermiglio, Rusconi) who have been involved in the process of "making and re-making" the SEA in Italy. Finally, documentary analysis will be used to investigate and understand the various historical ensemble of SEA in Italy.

**An exploration of the enabling potential of Accounting for Sustainability and Social Responsibility education  
Carmen Correa Ruiz and Esther Albelda (Universidad Pablo de Olavide (Sevilla))**

Current crisis situation demands a greater concern about sustainability and social responsibility issues as well as a more profound engagement and commitment to enhance more sustainable patterns of behaviour. Education is a primary area of engagement which urgently requires attention. The 2014-2020 Spanish Strategy for Corporate Social Responsibility underlines social responsibility education and research as well as responsible management academic training as fundamental pillars to speed up changes in the way of thinking and behaviour of current and future generations. More specifically, this strategy highlights the necessity to address changes in education curricula to embed sustainability and social responsibility values into students. The relevance of sustainability/social responsibility reporting is also underlined in the Spanish Strategy as an attempt to cope with the commitments deriving from the Spanish Sustainable Economy Act and the EU regulation of non-financial information. The Directive 2014/95/EU on disclosure of non-financial and diversity information requires large companies with more than 500 employees to disclose in their management report information on policies, risks and outcomes as regards environmental matters, social and employee aspects, respect for human rights, anticorruption and bribery issues, and diversity in their board of directors. This regulation aims to provide investors and other stakeholders with a more comprehensive picture of a company's performance. This reinforces even further the importance of accounting education for sustainability and social responsibility. Understanding how to develop an strategic approach to sustainability to manage the complex challenges faced by business and society in the 21st century and how to get committed to advancing accountability, integrity and transparency in organizations is an important challenge for business leaders and a responsibility for University teachers involved in the academic training of future business leaders and professionals in Business Administration and Accounting degrees. Thus, this paper presents a portrayal of attitudes and perceptions on responsible management and responsible management education among students of the first course of the Business Administration and Accounting degrees, as well as taken-for-granted assumptions about the role of accounting displayed by postgraduate students in a compulsory course on Accounting for Sustainability. Grounding on these insights, the paper explores accounting education possibilities to promote responsible management education and to infuse students with values leading to internalize concerns about social responsibility and sustainability. In a nutshell, the paper discusses the enabling potential of social and environmental accounting education (or accounting education for sustainability and social responsibility) to infuse these values and the convenience to address change in business curricula and in the methodological approaches in existing teaching programs in an attempt to reassess the effectiveness of current university education to enhance more sustainable patterns of behaviour benefiting the students, the organizations and the society.



## **Sustainability report restatements: Do market reactions unveil more about our understanding of legitimization building on the part of assurance providers?**

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

Prior literature on sustainability report restatements indicates that assurance providers attempt to build legitimacy for their services by signaling their technical successes (O'Dwyer et al. 2011; Michelon et al. 2015). One way to signal success in improving sustainability report credibility is through the restatements of sustainability report information. Restatements indicate there were problems in prior reports that, without assurance, may have gone undiscovered, rendering reporting unreliable. Research also indicates that assurance providers' attempts at building legitimacy for their services is reflected in the materiality and direction of restatements (Michelon et al. 2015). We extend prior research and examine the market reaction to sustainability report restatements to determine whether the attempts on the part of assurance providers to build legitimacy among report users is functioning as intended. If the market views restatements as positive, this would support assurance practitioners' claims that restatements indicate success in improving sustainability reporting. If, on other hand, the market views restatements as negative, an indication that limited assurance is not stringent enough, leaving mistakes riddled throughout the reporting process, then practitioner's claims to success will not be supported in the eyes of report users. We further evaluate user perceptions of the materiality, type, and direction of restatements, as well as the assurance provider type.

## **Determinants of gender disclosure in the sustainability reports of Italian listed companies**

**Flaviano Moscarini, Marzia della Corte (Sapienza Università di Roma)**

**Purpose:** This study aimed to examine the extent of gender disclosure by a sample of Italian companies listed at the Milan Stock Exchange. It also aimed to verify if there is a statistically significant relationship between the extent of gender disclosure and certain firm characteristics. **Methodology:** Starting from the largest 100 listed companies, we chose only those companies (43) which published a sustainability report in 2013. We then developed a Gender Disclosure Index (GDI) based on 15 gender items derived from the GRI guidelines. The GDI intended to measure the extent of gender disclosure in the sustainability report of each selected company. Finally, we performed a regression analysis in order to verify if there is a statistically significant relationship between the GDI (dependent variable) and certain firm characteristics: firm size, profitability, percentage of female employees, presence of women in the board, government free float (independent variables). **Results:** Regarding the extent of gender disclosure, we found that most of the selected companies doesn't fully comply with the GRI requests on gender information disclosure. Then, the results of a multiple regression analysis concluded, in general, that company profitability and government free float are associated with the GDI. **Originality/Value:** The contribution of this paper to the existing literature is threefold. First, it considers the gender dimension of corporate disclosure in the sustainability reports which has not been extensively and thoroughly examined by the international accounting literature. Then this study goes beyond the descriptive analysis on gender disclosure performed by other scholars. It rather investigates on the relationship between the level of gender disclosure and certain firm characteristics. Finally, this study is country-specific but the empirical research performed on gender disclosure can be easily extended to a larger sample of companies based in other countries.

**Keywords:** gender disclosure, sustainability report, Italian listed companies, and gender issues in the workplace.

## **Accounting in the production of "nature"**

**Thomas Cuckston (Birmingham University)**

There is now an extensive literature that has built upon Hines' (1988) observation that accounting produces particular forms of reality. In a recent article, [Miller and Power \(2013\)](#) review this literature and identify four interlinked, mutually constitutive roles of accounting in what they term economisation: that is, the production of the domain of economic activity. These roles are territorialising, mediating, adjudicating and subjectivising. Thus "economic reality" is understood to be produced by human organising and, in part, by accounting. By contrast, the environmental accounting literature has tended to conceptualise the "natural environment" as something that exists independently of human organising – an existence that environmental accounting struggles to communicate ([Bebbington & Larrinaga, 2014](#); [Gray, 2010](#)). But, in a world of agriculture, parks, gardens, and landscape management, it seems unclear where human organising stops and "nature" begins. Some scholars, particularly in geography disciplines, have therefore theorised a hybrid "socio-nature" in which: ... the social and the natural are seen to intertwine in ways that make their separation – in either thought or practice – impossible ([Castree, 2001, p. 3](#)). In this paper I will argue that, analogous to the roles of accounting in the production of economic reality, we may also study the roles of accounting in the production of ecological reality – what we might term ecologisation. I will draw on geographical theorising concerning the production of sociospatial relations ([Jessop, Brenner, & Jones, 2008](#)) to argue that economisation and ecologisation are two aspects of accounting's roles in the production of (socio)nature.

**Introducing a new form of environmental accounting and reporting with implications for enlightenment, empowerment and accountability.**

**Jack Christian (Manchester Metropolitan University)**

Corporate reporting is a key research area for social and environmental accounting yet to-date, I opine, it has not lead to any meaningful benefits for the environment. I argue this is due to a lack of accountability then suggest a new approach to environmental accounting based on deep ecology principles, in particular the principle of inter-connectedness. I then describe some early research into the viability of this accounting. This includes an analysis of bird recording (bookkeeping) in the UK to identify possible new accountants. I also report on interviews with a number of these potential new accountants. I then move onto some current research into the way the environment is 'reported' in art and poetry. My suggestion is that broadening environmental reports to include more holistic representations will lead to more meaningful and more inclusive environmental accounting. Further the very involvement of communities in the production of the reports will enlighten and empower those communities and lead to increased accountability. I finish with by outlining a proposal for a research project.

**Connecting the global reporting initiative with the planetary boundaries framework**

**Merriam Haffar & Cory Searcy (Ryerson University, Toronto, Canada)**

Recent literature has argued for the need to widen the focus of corporate sustainability reporting beyond local- and regional-level company impacts, and to address company contributions to global-scale processes and carrying capacities. By reporting on corporate environmental performance in this way—within the larger context of Earth-system performance—companies may better assess their contributions to key ecological thresholds, and may better align their sustainability targets to fall within them. In 2012, Whiteman et al. proposed the integration of corporate sustainability with the Planetary Boundaries (PB) framework. This framework identified nine global-scale ecological processes that are essential to maintaining Earth-system resilience, and quantified their associated thresholds. In this paper, we attempt to operationalize Whiteman et al.'s idea by integrating the PB framework with corporate sustainability reporting, and in particular the G4 guidelines of the Global Reporting Initiative (GRI). Based on a review of the environmental management and the environmental science literature, we explore how company-level impacts (as captured under the GRI G4 performance aspects) ultimately contribute to the nine PB processes. We also make recommendations for better aligning the GRI G4 guidelines with the PB thresholds from a measurement perspective, and provide examples of some performance indicators and measurement approaches that are currently available to achieve this aim.

**Which space between us? Stakeholder engagement and dialogue outcomes from a dialogic theory perspective**

**Lara Bianchi, Massimo Battaglia, Emilio Passetti, Marco Frey (University of Lancaster)**

Stakeholder engagement and dialogue are important mechanisms, which allow different actors to work together towards mutually acceptable solutions. Organisations constantly try to engage their stakeholders on a dialogue process, in order to improve their decision-making and accountability. However, too often a true engagement and dialogue is not reached. Using the dialogic theory based on Freire, a longitudinal action research (2006-2013) regarding the process of stakeholder engagement and dialogue in a co-operative enterprise is here presented and discussed. Dialogic theory frames the analysis revealing that both the co-operative and the stakeholders have acquired a better understanding of the counterparty, even if a complete exchange and empathy between the two has not been achieved. Nevertheless, on one hand the co-operative has improved its knowledge of needs and expectations of stakeholders, since the debate and interaction led toward an effective mutual learning, with new policies and activities emerged. On the other hand, stakeholders were more aware about the efforts, commitments and difficulties encountered by the organisation in dealing with specific issues. Moreover, the use of the dedicated process of stakeholders' engagement and dialogue has permitted to link accountability tool and accountability process mechanisms, reducing symbolic actions.

**Keywords:** stakeholder engagement, stakeholder dialogue, longitudinal action research, co-operatives, dialogic accounting, Paulo Freire.

**The Theory of Communicative Action and Postcolonial Theory: Synergies, Stakeholder Engagement And Accountability Insights From The Ghanaian Mining Industry**

**Sharif Mahmud Khalid and Jill Atkins (Henley Business School, University of Reading)**

Over the last two decades, there has been a modest surge in the field of emancipatory accounting. Still considered a growing domain within accounting research, emancipatory accounting is undoubtedly an arena that serves as a vehicle to espousing events aimed at liberating and guiding society towards a just, accountable and transparent path. With the world order having been represented as a binary world of unequal halves thus 'the developing and developed' worlds, we in this research apply Habermas' Theory of Communicative Action and Postcolonial theory in the critical examination of stakeholder engagement in light of accountability and

transparency within the Ghanaian mining industry. Through interviews with stakeholders, findings from the research revealed colonised features of the industry by multinational firms, which invariably prevents the attainment of accountability and transparency ethos between these firms and their stakeholders.

**Keywords:** Communicative Action Theory, Postcolonial theory, ideal speech Situation, Habermas, Said, Bhabha, developing world, developed world, Orient, Occident, mimicry, hybridity, ambivalence, liminality

## **“Doing” Dialogic Engagement: The Potential of Constructive Conflict Methodology**

**Matthew Sorola (Victoria University of Wellington)**

As organizations increasingly rely on stakeholder engagement to identify key social and environmental reporting issues (IIRC, 2013), many social and environmental accounting (SEA) academics have raised concerns about the quality of these engagements, particularly regarding the recognition of non-shareholder perspectives (Thomson & Bebbington, 2005). The “wicked” nature of these issues means they are very complex, have uncertain parameters and are highly value-laden (Frame & Brown, 2008, p. 226). While prior research has focused on developing the underpinning theory and framework for critical dialogic engagements (CDEs) (Bebbington et al., 2007; Brown & Dillard, 2013), there is little sustained discussion on specific methods to operationalise such engagements. This paper proposes Constructive Conflict Methodology (CCM), operationalised via Q methodology (QM), to inform the structure, design and operationalisation of CDEs on complex policy issues. CCM is a conceptual framework that informs stakeholder dialogues on complex policy, while QM is a tool developed to analyse people’s subjectivities. QM operationalises CCM by providing a structured method that enables the identification and selection of participants, helps articulate their perspectives, and stimulates constructive conflict (Cuppen et al., 2010). To illustrate the potential of CCM and QM to help develop CDEs, the context for CDEs is discussed to locate the need for these efforts within current stakeholder engagement efforts. Then, the aims and processes of CCM and QM are compared to the motifs for CDEs set forth in Bebbington et al. (2007). An application of CCM and QM is then drawn from my thesis research, presented and discussed.

## **Toward a narrative of success: a case study of a social business**

**Charles H. Cho, Kévin André (ESSEC Business School) and Matias Laine (University of Tampere)**

In this paper we explore the challenges related to the performance measurement and definition of success in a social enterprise. It has been argued that one of the main features of social enterprises is their hybridity (Battilana and Dorano, 2012), which implies that they combine two institutional logics, the social and the commercial (Pache and Santos, 2012), in their pursuit of both social impact and economic sustainability. Elsewhere, Blended Value Accounting has been proposed as a framework for measuring the activities of social enterprises (Nicholls, 2009). Yet, this framework is based on a blended value proposition which is not specific to social enterprises (Emerson, 2003). Accordingly, in this paper we argue that instead of blended value accounting social enterprises would benefit from hybrid accounting. We base our analysis on a qualitative case study on Grameen Veolia Veolia Water, which is a social enterprise based in Bangladesh. Drawing on 36 interviews and a two-year action research project, we show how hybrid accounting, which mixes economic performance and social impact assessment in a common framework (called “KPIs” by GVW team), has been implemented at the case organisation. Despite a common vocabulary, it is however evident that the hybrid accounting system is used differently on different organizational levels. Whereas the board members perceive the system as a way to monitor the performance of the project internally, the general management consider it as an “external assessment”. Simultaneously, the field workers use the system in trying to be more effective in their social mission. We make use of our empirical observations to discuss how the hybridity of different institutional logics impacts on how the measurement of performance and success can be conducted in a social enterprise.

## **Accounting and accountability in social enterprises - Critical perspectives**

**Hannele Mäkelä (University of Tampere)**

Social enterprises (SE) are currently being promoted in EU, US and all over the world. The paper analyses social entrepreneurship in the context of a Northern-European country of Finland, where public debate on the importance of social enterprises is only recently started to rear its head. One of the prominent themes in the Finnish debate is accountability in the context of SEs, performance measurement as its key concern. It appears that the legitimacy of social entrepreneurship largely depends on the ability of SEs to deliver social impact. This study contributes to the debate by critically analysing the discussion on the need for accountability and performance measurement systems for SEs in Finland. Empirical material consists of interview data with the key actors in the field. The aim of the study is to shed light on the different understandings of the overall accountability and performance measurement in particular in the context of SEs. Much of the research on social enterprises acknowledges that the phenomenon is understood differently by different people. However, the consequences of such differences in understandings are rarely discussed. The paper at



hand takes a critical view towards social enterprises and argues that the different understandings (or discourses) on SEs also have different material and structural implications on the development of the field and on society at large. Furthermore, it is maintained that accounting plays a role in this development due to its ability to shape the domain of economic operation as well as social relations.

### **Accounting for water: The making of the « Bilan H2o »**

**Delphine Gibassier, Mohamed Chelli and Simon Alcouffe (University of Toulouse)**

This paper seeks to understand how a new environmental accounting tool is created in a localized context. During one year, we followed a group of diverse actors in the making of a water accounting tool named "bilan H2o" in the South of France. A group of consultants, a group of IT engineers, an NGO, financing bodies and pilot companies were involved in the shaping of the tool. We will contribute to the literature on the birth of management accounting innovations (MAIs) such as ABC, BSC and beyond budgeting, which have been analyzed through the lens of actor-network theory (Jones & Dugdale, 2002; Alcouffe et al., 2008; Cooper et al., 2012; Becker et al., 2013). We will use ANT as our framework to analyse the "making of" this new water accounting tool. In ANT, authorship and agency is distributed (Justesen & Mouritsen, 2011). The network and the enrolment process are key to the success of an innovation: "the machine will work when all the relevant people are convinced" (Latour, 1987). Our methodology is qualitative, with a one-year non-participant observation in monthly meetings and meetings with key stakeholders as well as interviews. Secondary data such as presentations and meeting minutes were also collected. Through the observation and analysis of the data collected, we contribute to enhance our knowledge on the creation of new management accounting innovations. Indeed, studies of the diffusion of existing management accounting innovations are common, but there is very little literature on the origins of management innovation and the generative processes through which it first takes shape (Birkinshaw & Mol, 2006; Hopwood 1987). Finally, we contribute to enhance our knowledge on water accounting. Water accounting is a node of different knowledge streams, and therefore it brings together numerous institutional actors and ideas together. Water accounting expands the temporal dimension taken into accounting (through polluted water for example). The spatial dimension of water accounting is both very local (hydraulic stress) and international at the same time (right to water, water "wars") and implies to take local practices and international policies into account when doing accounting.

**Keywords:** water accounting, ANT, management accounting innovation, environmental accounting

### **Impression management in private social and environmental reporting, through Lefebvorean masks**

**Jennifer Lane (Aberystwyth University), Jill Atkins (Henley Business School), Barry Atkins (University of South Wales)**

In this paper we show how the potential for impression management within the process of private social and environmental reporting may be expressed through Lefebvorean-inspired pictograms which seek to incorporate emotion into mathematical notation and algebraic formulations. There is a substantial literature in accounting exploring the concept of impression management in financial reporting and other areas of reporting. The existing research examines the use of text, rhetoric, graphs, photographic images in corporate annual reports to present a desired (and implicitly understood to be desirable) image to the investor (and other stakeholders). There is also an emergent literature examining the extent to which impressions are managed in the private reporting context, that is, the one-to-one meetings between institutional investors and their investee companies within the context of the investors' engagement and dialogue programmes. Private reporting involves verbal disclosures and discussion, and has therefore provided a challenge for researchers. Prior research has drawn on Goffman (1959, 1971) and Foucauldian frameworks. However, the development of mathematical, algebraic representations of interaction and awareness, as well as the pictorial expression of these representations has not, to our knowledge, been used as a means of interpreting impression management within the private reporting context. Lefebvre's (1977) use of masks extends the theatrical metaphorical framework presented in Goffman's work on impression management and inspires our novel approach to representing the process of private social and environmental reporting. We argue that this approach provides a potentially new means of evaluating the effectiveness of private meetings in enhancing governance and accountability.

**Key Words:** Goffman, impression management, Lefebvre, masks, private social and environmental reporting, metaphor.

### **Accounting and accountability: a linguistic study**

**Yara Cintra (Universidade Federal do Rio de Janeiro)**

Language shapes our worldview influencing the way we see phenomena. The linguistic characteristics also dictate the judgment and decision process (Riahi-Belkaoui, 2012). The absence of a Brazilian Portuguese equivalent for the word accountability may reveal a

lot about cultural behavior and decision process. Different interpretations emerged, but only a few attempts to define the term (Campos, 1990; Pine and Sacramento, 2009). Its massive use, without a careful definition, may transform it into a contradictory or empty concept. There is also the risk that the word be used as a mere legitimizing tool for certain government actions. In Brazil, the term accountability has gained importance after the fall of the military regime and the return of democracy. More recently, the ever-increasing number and importance of corruption cases in governments and companies emphasizes the urge for accountability in public institutions and society. In Brazilian literature, the term is most often used to refer to transparency and democratization of the State itself and has gained more relevance from 2006 (Medeiros et al., 2012). Focusing companies, accountability is under-researched: four Brazilian articles published and only one tried to conceptualize accountability into accounting realm. Applying linguistic relativism theories (Riahi-Belkaoui, 2012) this research aims to investigate the effects of the language on the understanding, decisions, and actions related to the terms accounting and accountability. By performing a cross-country comparative study, we collect evidence of the influence of linguistic characteristics on different countries, comprising cases that share the same language, but different institutional environments, such as Brazil x Portugal and UK x South Africa.

### **Corporate Citizenship Portrayal across different communication artefacts**

**Neeve Maraye (Edinburgh University Business School)**

This paper investigate how similar/different is Corporate Citizenship (CC) portrayed in corporate annual reports and social reports of the largest UK banks over time (1992-2012) , gauging the impact/effect of the 2007- 2009 financial crisis. Theoretical Implications: The paper contributes to the literature on CC by developing a coding guide to gauge and operationalise CC by drawing on insights from the evolutionary reporting movement and guidelines of the corporate social reporting movement. We extend our analysis by comparing the CC portrayal ,as reported and captured over time, in two different communication artefacts and in the event of the 2007-2009 financial crisis. Furthermore, we contribute to the scant research (except in the case of Decker, 2004; Coupland, 2006; Moon & Herzig, 2011, 2013) that have investigated the social performance of banks in the UK. The Co- operative Bank was a pioneer in producing the first social report in 1997, followed by the 'Social Impact Review' by Natwest in 1998for 1998 (Tarna 1999). However, the financial sector in the UK was lagging behind in terms of social disclosures (Sustainability and UNEP 2000; Stray and Ballantine 2000, WIMM and KPMG 1999, KPMG 2002). While some concerns were raised about the nondisclosure of environmental and social information,(Stray andBallantine 2000), these were justified on the grounds that the financial sector was had lowenvironmental impact (Herzig & Moon, 2013). METHOD: We investigate the patterns of CC reporting from a longitudinal perspective. Furthermore, we gauged and operationalised CC in terms of categories and sub-categories reflecting the evolutionary path of the social reporting movement. We adopt the stance that large organisations 'talk' about 'giving back to society' captured in terms of corporate and social disclosures (CSD). These disclosures are reported in both annual and social reports. We adopt the view that the longitudinal appraisal (similarities/differences in the reporting patterns) of the CC components across both the annual and social reports will provide an understanding of 'how' the CC portrayal is carried out. The 2007 financial crisis has been used as a cut –off point to gauge CC disclosures prior and during/after the crisis. Primarily, two sets of reports, both the annual and social reports has been compared prior and after the crisis. Research Findings: Using the 5 largest banks in the UK ,representing 77% of the banking sector, our findings highlight for each bank( which can be seen as a separate case study) how each component of CC varies over time and how it correlates across these two communication channels. Furthermore, it is interesting to note that the reporting patterns of the banks differ each prior, during and following the crisis. The change in ownership of Royal Bank of Scotland for example does not follow the same disclosure patterns as HSBC.

### **A Study of Sustainability Reporting Practices in Thailand.**

**Tulaya Tulardilok (Royal Holloway, University of London)**

In Thailand, the awareness of and response to CSR/sustainability issues, including social and environmental reporting (SER) practices, can be largely seen in the efforts made by multinational companies linked to their overseas operations, whereas those adopted by Thai local companies seem to be underdeveloped and not well established. In reviewing the existing literature, this is still unclear, as no up-to-date rese context. In addition, Thailand will join the ASEAN Economic Community (AEC) in 2015 which will transform ASEAN (Association of Southeast Asian Nations) into a region with free movement of goods, services and a free flow of capital. To address the gap and contribute to the advancement of the existing literature, understanding the unique characteristics of Thai context can provide useful insights into how the influence of external and internal factors has an impact towards the undertaking of social and environmental disclosure. The primary research method has been chosen to use for collecting the empirical data for this research was semi-structured interviews. The data was then analysed through legitimacy and stakeholder theory as theoretical lenses which are seen to be complementary in explaining the motivational factors behind SER practice in the Thai context. The detailed emerged from the interviews have reflect a mixture of different external and internal motivational factors underlying SER practices among the sample Thai companies.

**Keywords:** sustainability report, social and environmental disclosure, ASEAN, Thailand

**Supply chains and GRI G4 reporting: experiences what hinders and what enhances material reporting**  
**Minna Suutari (Aalto University School of Business), Roosa Jaakkola (University of Helsinki), Mari Tuomaala (Aalto University) Tuija Virtanen (University of Helsinki)**

Evolving sustainability reporting frameworks stress supply chain reporting and widens the definition of an entity in accounting and reporting. The Global Reporting Initiative framework (GRI G4) emphasize concentrating to the material topics and aspects. The report should present performance in the wider context of sustainability. The assessment of boundaries can be realized with established methodologies to assess the significance of impacts. The aim of this paper is to explore how an energy sector case company experience the wider reporting entity requirements and applicability of (social) life cycle assessment processes linked with reporting. The aim was also to identify boundary factors concerning natural and biogas business operations. The case company has published a sustainability report in accordance with GRI G4. Findings were that a case company used both their own tailored lifecycle assessment methods and Life cycle assessment tools (e.g. ISO 14040/44). Benefiting from Social life cycle assessment tools seemed to be more difficult. Reporting of sustainability issues were generally gaining importance. Ability to provide useful information for customers' own reporting purposes seemed to gain competitive advantage. Absence of material factors in reporting seemed sometimes to be originated from the difficulties concerning actual technical or accounting data or proxy information in lifecycle databases (cf. Unerman & Zappettini 2014). The study exploited archival reporting data and contextual observations at the case company; next phase for further study will consists semi-structured interviews to explore the experiences of used boundary assessment techniques and their linkages to usability and comparability of reporting information for **stakeholders**.

**Keywords:** GRI G4, Supply chain, Management, Accounting, Integrated, Reporting, Boundaries, Technical

**"Disclosure of non-financial information in French's companies' Management Disclosure & Analysis (MD&A) reports: a step towards integration?"**

**Charles Zinsou**

According to Eccles et al. (2010, p. 10), the integrated reporting named "One Report" is the production by the company of a single document that combines the main financial and non-financial information's (such as environmental, social and governance) for improving company's stakeholders decision-making. This study aims to explore the practices of French companies about the integration of non-financial information in their Management Discussion and Analysis (MD&A) for better transparency in their disclosure. It will discuss particularly, in this research, the Article 225's items of Grenelle II. Grenelle II is the French's governmental legislation, passed in 2012, which requires companies to include information on their environmental and social performance in their annual report. The research's question is: Which kind of integration French companies present in their Management Discussion and Analysis (MD&A) reports? The study's purpose is to show that French listed companies have some form of integrated reporting. As emphasized by Professor Mervyn King, "integrated reporting is a journey. It is impossible for organizations to achieve perfection in the first year. However, by the continuous improvement of the reporting process and better management's information for decision making, integration will be enhanced. Also, interactive communication with key stakeholders to identify their legitimate interests and expectations is fundamental to the success of integrated reporting". All integrated reporting begins with integrated report stated Solstice Works Inc. The integrated reporting is thus a continuum. Leaning on institutionalism's theory and based on a content analysis methodology, our research will study how the French listed companies integrate social, environmental and societal issues in their annual report. Two main hypotheses will be used: H1. The "Article 225 of Grenelle II" adoption by French listed companies has increased the degree of integration of their financial and non-financial information disclosed. H2. Since the adoption of "Article 225 of Grenelle II", the French listed companies disclose more, and of better quality, sustainability information. To test these hypotheses, Management Discussion and Analysis (MD&A) reports of some French CAC 40 listed companies on the 2008-2014 periods will be studied. Using the methodology adopted by Clarkson et al. (2008), we consider the 42 items of the Grenelle II by distinguishing between "hard items Measures", easily verifiable, and "soft items Measures" more difficult to verify. Then, based on the Wiseman (1982)'s grid, we will identify the presence of information or a given item, assign this item to the corresponding sub-category, and assign a rating or score to this information. Finally, we will analyze the degree of integration of different items through the various sections of MD&A. Overall, this study aims helping to better understand the practices of French companies in terms of producing integrated reports. It aims to shed light on the impact of compliance with standards and regulations by the company to maintain its organizational legitimacy, and the driver of new management practices adoption in general and reporting in particular.

**Legitimacy in Relation to Company Reputation: Isomorphism of Sustainability Reporting**

**Yasushi Onishi,(Kansai University), Akihiro Noda,(Shiga University), Chika Saka,(Kwansei Gakuin University), Katsuhiko Kokubu (Kobe University)**

Sustainability reporting is now a global standard business practice. This study focuses on Japanese firms' sustainability reporting practice and investigates the determinants of reporting based on the concept of organizational legitimacy. Here, we conduct content analysis of sustainability reports using ISO 26000 and investigate (1) whether reporting practice supports the legitimacy theory from the disclosure volume perspective and (2) whether firms pursue isomorphism for their legitimacy in the sustainability reporting context. The extent of isomorphism is measured by comparing each firm's reporting score with the mean score expressed as a standard deviation (Deephouse and Carter, 2005). Our results reveal two key findings. First, increase in a firm's disclosure volume is positively related to better reputation, as measured by corporate social responsibility (CSR) ranking scores, and also positively related to industries with high environmental burdens. Second, the extent of isomorphism is positively related to a better reputation and also to industries with high environmental burdens. Our study contributes to the literature on sustainability reporting in the following ways. First, we present a new perspective of legitimacy theory; that is, firms with a high reputation (not only firms with high environmental burdens) face a type of legitimacy pressure to increase their disclosure and pursue isomorphism. Second, we support the conventional legitimacy theory because firms in industries with high environmental burdens tend to increase volume and make their reports similar to others.

**Keywords:** sustainability reporting, legitimacy, isomorphism

**Can visuals in social and financial reports really manage impressions? The case of social and environmental disclosures**

**Luca Fornaciari (University of Parma), Caterina Pesci (University of Trento ) and Teerooven Soobaroyen (University of Southampton)**

In recent years, there has been the emergence of empirical and theoretical work focusing on the extent and role of visuals (images, graphs, pictures) in accounting reports (Davison, 2007, 2011, 2014; Hrasky, 2012; Beattie and Jones, 2008, 2011; Cho et al., 2012). In this regard, and reminiscent of a commonly-held view that "a picture is worth a thousand words", impression management has become a notable perspective seeking to conceptualise the use of visuals in accounting disclosure and narratives. This perspective asserts that a visual device contained in accounting reports can be a powerful vehicle to manage, distort and direct readers' impressions with a view to convey a positive image of the organisation in relation to a given subject matter or more generally about the organisation itself. Therefore, many studies have used the impression management concept as a lens for interpreting organizational and/or managerial attitudes and motivations underlying the use of visual disclosure (Merkl Davies and Brennan, 2007, 2011; Beattie, 2014). However, what is far less evident from extant research is whether such impression management strategies do actually influence the readers' decision making process. Although there have been some field workbased studies considering the users' or stakeholder perspectives, there is, at this stage, a dearth of empirical investigation on the actual effects (if any) of visual disclosure. Consequently, this study aims to investigate the reader's reactions to the use of visuals by focusing on value relevance effects, reflective of the investors' perspective. More concretely, and informed by the economic agency-theory based strand of impression management (Merkl-Davies and Brennan, 2011), this study hypothesises that a reliance on visual devices will have a significant effect on readers' investment decisions and thereby on market value. The hypothesis has been tested on a sample of 58 Italian listed companies over a period of 10 years (2004- 2013). From a methodological viewpoint, Ohlson's (1995) model has been used to analyze the impact on market value of visual images contained in social and environmental reports. Two indices, aimed at evaluating the use of graphs or pictures, have been developed to measure whether such images enhance the relevance of voluntary disclosure in Italy. Our main contribution lies in an evaluation of the 'visual power' of such devices from the readers' perspective with an emphasis on investor participants, albeit with implications for a broader set of economic- and social-led audiences.

**Web-Based CSR Reporting in Developing Countries: Insights from Egyptian Companies**

**Mohamed Osman (Qatar University & Benha University)**

Nowadays, there is a great attention to reporting of Corporate Social Responsibility (CSR) by businesses and researchers for more than two decades. The CSR reporting literature is dominated by studies from Anglo-saxon and western countries (Fifka, 2013), and international comparative studies that focus on interpreting the differences and similarities of reporting practices in these countries (e.g. Ernst and Ernst, 1978; Guthrie and Parker, 1990). It is not fair to generalize the findings of these studies to emerging economies as their development is different, as well as cultural and national differences are affecting on accounting/disclosure practices in general and CSR in general (Mathews, 1993; Perers and Mathews, 1990). Generally, there is a shortage in understanding critical topics in developing countries in the CSR literature (Kisenyi & Gray, 1998). Belal et al. (2009) articulated that "developing countries are struggling with problems of poverty, human rights violations, corruption, inequalities and social exploitations" (p.120). Therefore, there are calls in the literature to conduct more research in emerging economies (e.g. Belal et al., 2009; Belal et al., 2013). This



research responds to these calls by exploring the volume, quality, and accessibility of CSR information in a sample of Egyptian companies' Websites (domestic and international). This study adopts a content analysis approach of Websites using a disclosure index from the literature. The index consists of social information, employees, environment, cultural issues, goals and targets relating to social and environmental aspects. The results reveal that international companies disclose more information about CSR than domestic ones. Finally, the study concludes by proposing strategies for both (domestic and international) on how to develop their reporting practices in the Egyptian context.

**Conflict minerals reporting under the U.S. Dodd-Frank Act**

**Thomas Schneider (University of Alberta)**

In response to the 2008 financial crisis, the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) was enacted by the United States Congress. It implemented reforms in the banking industry and financial services sector. As is typical with US legislation, unrelated special interest items were attached to the Act. Two of these are sections 1504 and 1502, which are requirements for new public company disclosures relating to certain social policy issues. Section 1502 directed the United States Securities and Exchange Commission to implement regulations requiring companies using "conflict minerals" to investigate and disclose the source of those minerals. Section 1502 was directed at the Democratic Republic of Congo and its adjoining countries, where the sale of minerals such as columbite-tantalite, gold and wolframite are helping to finance conflicts characterized by extreme levels of violence, particularly sexual and gender based violence. These minerals are widely used in the high-tech sector and Section 1502 came about largely as a result of lobbying within that sector. The rule addressing Section 1502 promulgated by the SEC was also challenged by industry groups, but it more or less withstood the challenge. Firms were required to have their first report on conflict minerals (Form SD) submitted to the SEC by May 31st of 2014. Gualandris, Klassen, Vachon and Kalchschmidt 2014 (GKVK 2014) theoretically explore the role of sustainability evaluation and verification (SEV) in the supply chain. They call for empirical research in this area. Form SD must first disclose whether a firm uses a conflict mineral in its products or processes. If any such products are identified, the company is required to conduct a "reasonable country of origin inquiry" ("RCOI") and disclose in Form SD whether their conflict minerals were sourced from the DRC, adjoining areas or unknown areas. An issuer with necessary conflict minerals from covered countries must conduct due diligence, and provide a Conflict Minerals Report (unless the minerals did not originate in a covered country or are from scrap or recycled materials). The disclosures must focus on the supply chain and audit of the supply chain process. Once a mineral has entered the supply chain, it is very difficult to trace its origin. The SEC indicated that an RCOI will be satisfied if the issuer seeks and obtains reasonable reliable representations indicating the facility at which its conflict minerals were processed. There are many existing protocols and 3rd party assurance is a major component of declaring that a firm does not use conflict minerals in its products. Form SD provides us information on the supply chain and the quality of the SEV. The purpose of this paper is to analyse and report on the initial Form SD submissions made by the firms required to report to the SEC effective May 31st, 2014. It provides an empirical follow-up to GKVK 2014, where the call was for detailed analysis of the 'what' and 'how' evaluation and verification of sustainability practices and performance across the supply chain. I also have the opportunity to observe the supplier monitoring and supplier collaboration aspects of the firms' SEVs, which are often focused on when observing sustainable supply chains in organizations (Seuring and Muller 2008, Vachon and Klassen 2006). With regards to the analysis, the project is focusing on: The types of initiatives being undertaken, e.g., random audits by buyers, full traceability, 3rd-party audits, etc. Any changes in practice over the last 2-3 years? Notable social benefits, policy objectives, proactive (or reactive) responses. Implications (if any) for performance Research concepts, methods, and preliminary outcomes will be presented at the conference.

**The role of sustainability accounting in the construction of identity**

**Sara Moggi (University of Verona), Leonardo Rinaldi (Royal Holloway University of London)**

The aim of this research is to explore how sustainability accounting shapes the construction of identity. It is argued that sustainability accounting can be regarded as a powerful technology that enables the construction of identity, hence impacting on practices of sustainability reporting. To investigate the extent to which the creation of a formal account of sustainability helps forging and conveying a sustainable identity, this study critically analyse the workings of the Commission for a Sustainable London 2012. The Commission for Sustainable London provided assurance to the Olympic Board and to society at large on how the bodies delivering the London 2012 Olympic and Paralympic Games and legacy were meeting their sustainability commitments. It was an independent body, which monitored and assured the sustainability of the London 2012 Olympic and Paralympic Games. The Commission was the first of its kind for an Olympic Games and existed from January 2007 to March 2013.

The case study unveils the dynamics of sustainability identity creation within the London 2012 Olympic and Paralympic Games uncovering how and why the build-up of identity allows the appropriation of power as a means for self-reinforcing and for dominating others. The research shows how sustainability accounting technologies are used as a primary tool to shape the emergent sustainable identity.



## **The links between the management of accounting data and the management of environmental data**

**Juliette Senne (University of Montpellier)**

The news regularly reminds us that environmental disasters (Erika 1999 ; AZF 2001, for example) which companies are responsible for, can have a significant impact on them in terms of image and more specifically in financial terms. Faced with these alarming findings, sustainable development is a challenge to which companies meet the voluntary disclosure of environmental information (Patten 1992 ; Cho 2009). There is a wide variety of broadcast data including the accounting data of an environmental nature (ADE) are no exception to this trend. ADE is defined like "expenses incurred to prevent, reduce or repair the damage the company caused or may be caused by its activities to the environment" (CNC recommendation 2003). In 2001, France became one of the few countries to require these elements in the annual report through its Nouvelles Régulations Économiques (NRE). At the intersection of financial accounting and environmental communication, these data raise new thoughts. Few studies have focused on the analysis of accounting choices relating to environmental liabilities by mobilizing positive accounting theory (Berthelot et al. 2003; Patten and Trompeter 2003 ; Peek 2004 ; Johnston and Rock 2005). More recently, studies has mobilized the neo-institutional theories to explain the choice of disclosure of these data by companies (Maurice 2012 ; Cho et al. 2014). Therefore, must this practice be analyzed as a component of financial communication strategies or, conversely, it continues a logic in the environmental field ?

## **Measuring Sustainability to Achieve Corporate Strategies**

**Garcia dos Reis, Solange, Dandaró, Fernanda (Universidade de São Paulo),**

In the quest for TBL sustainability, implementation of strategies requires management tools to measure the balanced performance in the economic, social and environmental aspects. The stakeholders' approach emphasizes the importance of social and environmental objectives and including them in the decision-making process, leading to the rethinking of the performance measurement and management models. The sustainability balanced scorecard (SBSC), suggested from balanced scorecard (BSC), aims at balancing financial objectives with social and environmental objectives in order to help manage and implement corporate strategies. There are some other proposals in the recent literature, including the quantitative ones, such as the multiple criteria decision aid (MCDA) methods, which have been pointed out as appropriate tools for dealing with several objectives and criteria in the sustainability decisionmaking process. Considering this background, we have carried out a content analysis of papers published from 2005 to 2014 about sustainability performance measurement models addressed to support the implementation of corporate strategies. Data were collected and classified into categories representing characteristics of the measurement models related to: appropriateness of the indicator's set; the architecture of indicators; inclusion of stakeholders; adoption of one single measure to represent organizational performance or several measures; interconnection between strategic objectives and operational targets; and capacity to deal with performance tradeoffs among alternatives. As a result, we discuss some relevant points that contribute to a more holistic interpretation of organizational performance and that could encourage organizations to act more sustainably and thus achieve their strategies. **KEY WORDS** Corporate sustainability; Strategies; Stakeholder approach; Performance measurement models.

## **Learning to be low-carbon: examining responses to climate change in an international school in China**

**Shona Russell & Jan Bebbington (University of St Andrews) Ross Allana (Dulwich College Suzhou, China)**

Climate change challenges how we organise and manage. While organisations generate emissions and influence patterns of production and consumption, they can also be sites of learning. In this paper, we ask how climate change is understood and how are responses developed within an International School in China drawing upon fieldwork undertaken between 2014 and 2015 as part of a project involving researchers and practitioners. Following record pollution levels in Chinese cities in 2014, significant air pollution acted to both raise awareness and concern about climate change amongst interviewees. However, concern did not universally translate into a call for organisational action. Instead barriers were identified including lack of capacity amongst individuals; uncertainty about the causes of climate change and responsibilities to reduce emissions; and tensions between low-carbon efforts and high-quality learning experiences that were integral to the School. Following interviews, individual champions and dialogic engagement are helping to shift perceptions of climate change, leading to innovative practices, acknowledgement of shared responsibilities and the development of competencies to support the creation and implementation of low-carbon strategies within the School and wider network of Schools operating in Southeast Asia. We argue that learning to be low-carbon requires (i) examination of how people make sense of complex issues, (ii) discussion of what responses are deemed credible, salient and legitimate, (iii) examination of who is perceived to be responsible and (iv) consideration of the context in which organisations operate, and individuals live and work. We conclude by discussing the extent to which low-carbon transitions are realised may be hampered by other economic, social and environmental imperatives within and outside organisations; and consider how the co-production of knowledge between researchers and practitioners may offer pathways to sustainability transitions in theory and practice.

### **Crises – Accounting as Means to Mitigate.**

**Juergen Seufert, Anura De Zoysa, Brian Andrew (University of Nottingham Ningbo China)**

The build-up of Greenhouse Gases in the atmosphere and consequential Global warming possesses a real threat to human society. Science alerted us to this problem and at the same time provides technologies capable of emission reductions, yet it is behavioural change that is urgently needed. This paper draws on Juergen Habermas' legitimation crisis and Ulrich Beck's ecological crisis to position both Qantas' and the Australia Government's accounting discourse which is actively used to create and emphasise crises. There is a deep involvement of the Australia Government in Qantas' production process. Accounting and neoliberal-informed rhetoric assists the Government to provide rationality for its actions to fill market gaps and produce financial and other supports to curb the economic crisis within Qantas. Accounting concepts provide means to keep latent the prioritisation of individual capitalist interests', such as Qantas', even in the wake of global warming. Finally, accounting rhetoric has contributed to the diminishing support of the Australian electorate and a motivational crisis to withdraw support for climate actions. This study enhances Habermas' legitimation crisis with contemporary literature updates and combining it with the work of Beck's ecological crisis. These crisis theories are applied to an Australian context of a significant economic player within Australia, Qantas, enhances our understanding of the political economy and the very role of accounting to create, curb or hide circumstances which could lead to crises. It provides a new lens to consider SEAR in the wake of global warming.

### **Civil Society as a Quasi-Regulator: Carbon Accounting standards, the United Nations and the Greenhouse Gas Protocol**

**Robert Charnock (London School of Economics and Political Science)**

Following decades of climate talks 2010 saw 195 nations and the European Union commit to limit the increase in global average temperature to two degrees Celsius. This two degrees target has been mobilised by civil society organisations (CSOs) to create a discourse on aligning carbon-intensive industries with the transition to a low-carbon economy. This paper explores how a network of CSOs – consisting of NGOs, think tanks, disclosure initiatives and standard setters – coordinates a range of pressures on the financial sector, in efforts to harness the financial organisations' influence over carbon-intensive industries. The paper is based on a participant observation of the Portfolio Carbon Initiative, a standard-setting project coordinated by the United Nations Environment Programme Finance Initiative and the Greenhouse Gas Protocol. In particular the paper explores how networks of CSOs produce quasi-regulatory effects; creating pressures that align capital markets with intergovernmental objectives, while lacking a legal framework to mandate it. The paper also highlights how measurements of carbon risk and climate performance are becoming central to how the transition to a low-carbon economy is being operationalised. It is argued that this work is a key element in establishing conditions in which accounting instruments connect the idea of the transition to a low-carbon economy to financial sector strategy. As such, the concept of civil society provides a lens for this study, framing the CSO work as part of a space where connections between the state and the market emerge.

### **Biodiversity reporting by in the South African food and mining sectors**

**Warren Maroun and Hafsa Mansoor (University of the Witwatersrand)**

**Purpose:** This study examines the extent to which South African companies listed on the local stock exchange in the mining and food producer and retail sectors are including biodiversity-related issues in their integrated and sustainability reports  
**Design/methodology/approach:** The study relies primarily on a special edition of Accounting, Auditing and Accountability Journal (AAAJ) to construct a disclosure matrix. Interpretive text analysis is used to analyse a sample of integrated and sustainability reports and gauge changes in the frequency of biodiversity disclosures found in these reports from 2011 to 2013.  
**Findings:** Consistent with the findings in the AAAJ special edition, the research finds few examples of detailed reporting on biodiversity issues. This is despite the fact that South Africa has a well-established code of corporate governance, a long history of including non-financial information in corporate reports and has championed the integrated reporting movement.  
**Research limitations/implications (if applicable):** Poor biodiversity reporting calls into question the sincerity of companies in the two sectors under review when it comes to providing balanced accounts of their management of financial and non-financial capital. Identified weaknesses also beg the question: Why are institutional investors, regulators and NGO's not holding these organisations accountable for a lack of transparent reporting on very important environmental issues which pose a significant risk to corporate sustainability?  
**Originality/value:** This paper is the first to examine the extent of biodiversity reporting in a South African context. In doing so, it addresses calls for additional research on this type of non-financial reporting to understand better the international response by companies to issues such as climate change and

habitat loss. The research also provides indirect evidence on key shortfalls in the integrated reporting framework in South Africa and, in turn, offers initial recommendations on how to promote more active reporting on biodiversity-related matters.

**Key words:** biodiversity, food industry, mining industry, South Africa, sustainability