5th Italian Social and Environmental Accounting Conference
(CSEAR Italy)

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"Camouflaging of corporate (un)sustainability"

Collected Abstract

In collaboration with:

I Parallel session
Thursday 18th September 11.30 – 13.00

Session I a

Media pressure and social and environmental reporting of British Telecom: A spectacular perspective
Petros Vourvachis, Sumohon Matilal, Lynne Oats

This paper investigates the Social and Environmental Reporting (SER) practices of British Telecom (BT) and aims to provide a critical understanding of the relationship of media pressure and SER. It extends Media Agenda Setting Theory and content analysis based research by using Guy Debord's (1983) work on the Society of the Spectacle (Oakland CA: AK Press) and focusing on the manifest as well as the latent communication content of the examined sources. BT's considered communications include annual reports, relevant publications and press releases, whilst considered related media sources are UK newspaper articles, including broadsheets and tabloids, over a 17 year period. Particular emphasis is placed on how BT managed its deregulation process, which resulted in hundreds of thousands of employees losing their job in the UK and with thousands of jobs being shifted overseas.
Despite their purportedly objective nature, both media and BT's communications are found to be carefully crafted narratives, which through multiple revisions and edits are shaped into apparently 'linear' events. Although the public would only read the provided information as a description of the events, Debord's frame assists in revealing how symbols can be manipulated and information flow can be controlled through an iterative interaction process between organisations and media, in an attempt to achieve own ends. Concepts such as 'stakeholder interests', 'sustainability' and 'responsibility' are particularly susceptible to manipulation, both in situations where the interests of BT and media are in conflict and when these are aligned.

SER, ceremoniality and identity accountability: A "Trentinian" story.
Ericka Costa, Massimo Contrafatto, Caterina Pesci

Despite the growing number of studies conducted in order to investigate the motivations, influencing factors and organizational effects of the social and environmental accounting and reporting the theoretical understanding of the processes and rationales behind the decision to implement (or not) SER into specific organizational domains remain still under-developed. The aim of the present paper is to investigate the processes and complexities through which the SER was introduced and implemented in a 'rural bank' of Trentino.In this context, 'rural banks' are a specific form of cooperative banks, which were historically formed with the specific purpose to support the economic and social needs of rural local communities.

The focus of the paper is on the institutional dynamics through which SER was introduced to become a "symbolic act" of the "ceremonialism" (Meyer & Rowan, 1991) involved in an attempt to shape and re-construct a 're-newed' organizational accountability (Unerman and O'Dwyer, 2006).

Our investigation involved an in-depth fieldwork conducted between September 2011 and January 2013 with a Rural Bank, which has been publishing a Bilancio Sociale (Social Report) since the late 1990s.

All the empirical data, collected through interviews, observations and document analysis, have been interpreted through the institutional logics perspective (Lounsbury, 2007; Thornton, Ocasio & Lounsbury, 2012) to gather an understanding of the organizational dynamics involved in the implementation of SER.

The use of social media for engaging stakeholders in sustainability reporting
Giacomo Manetti, Marco Bellucci

In the last two decades stakeholder dialogue and engagement have played a fundamental role in defining the contents of social, environmental or sustainability reporting (hereafter, SESR) (Unerman and Bennett, 2004; Global Reporting Initiative, 2013). Stakeholder engagement (SE) is a milestone corporate social responsibility (CSR) policy because it allows one party (the organization) to interact with another (the stakeholder) in a two-way dialogue in which the engager and engaged mutually learn from such contacts, deeply revising their expectations and preconceptions (Manetti, 2011; Owen et al., 2001). In this sense, SE is a powerful tool of dialogic communication and accounting (Bebbington et al., 2007a; Brown, 2009; Brown and Dillard, 2013b) that offers interactive mutual learning processes that are capable of promoting transformative action and social change (Bebbington et al, 2007a, p. 357).

Among the instruments and techniques of SE, a leading and crucial role is played by online interaction, using the organization's social media, social networks, blogs, websites, and other technologies linked to the Internet (see for example: Kent et al. 2003; Park and Reber, 2008; Rybako and Seltzer; 2010; Unerman and Bennett, 2004).

In this study we explore the strengths and weaknesses of social media (with particular reference to Facebook, Twitter, LinkedIn, YouTube, Google+, and Flickr) as an instrument of SE in SESR in identifying, dialoguing with, and engaging the largest possible number of organization stakeholders (Swift et al., 2001; Lovejoy et al., 2012), while also taking into account their opinions and expectations, even if they diverge from the organization's point of view.

We believe that social media and social networks are powerful mechanisms for

reaching and keeping in touch with a large number of stakeholders, thus guaranteeing an interactive dialogue with them at very low costs. This Internet-based dialogue can also contribute to creating a process of authentic SE based on a democratic – even if not necessarily convergent – consultation of stakeholder opinion. We aim to help fill the gap in the CSR literature on this topic by employing the theoretical framework of dialogic accounting, which has been discussed by many authors in the last decade (see for example: Dillard and Ruchala, 2005; Bebbington et al., 2007a; Brown, 2009, Brown and Dillard, 2013a, 2013b).
Our exploratory research question is whether online interaction through social media represents an effective SE mechanism in order to define the contents of SESR. In the process of answering this question we will:

- investigate the role of SE in defining the contents of SESR according to the principles of materiality and relevance of information disclosed, and the specific contribution of social media and web 2.0 in creating a model of authentic dialogic accounting;
- conduct a content analysis of a sample of worldwide sustainability reports on the use of social media in engaging stakeholders in order to define the contents of SES reports;
- observe and analyze the online social media pages of corporations who declare in their reports that they use these tools for interacting with their stakeholders;
- reach a conclusion on the contribution of the aforementioned instruments of web 2.0 to SE and, indirectly, fulfilling the materiality and relevance of SESR.

Session I b

Organizational change in Spanish wine sector: insights for reflecting on the role of accounting in transitions to sustainability
Carmen Correa Ruiz, Esther Albelda

Current economic situation demands a sustainability and responsible approach to business. In this regard, the role of SME to foster and consolidate an innovative and sustainable economic model has been underlined within European Institutions claiming for social responsibility of businesses.
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 SME and their impacts on society.

Although for many small and medium-sized enterprises CSR process remains informal and intuitive, some organisations adopt a long-term and strategic approach to CSR to explore the opportunities coming from adopting eco-innovation and sustainable patterns of behavior. That is the case of the wine sector, extremely sensitive to climate change, and which has started to assume its responsibility in regard to 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 diverse 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.
Agreeing with Bebbington and Larrinaga (2014), we think that seeking to pursue sustainable development is problematic and that it is necessary to engage more closely with other disciplines around problems of common interest. Exploring organisational change in the Spanish wine sector from a wider perspective, this research tries to reflect on the contribution that accounting could make to foster more sustainable patterns of behavior. The motivation for this project relies on our aspirations for advancing knowledge and providing critical insights helping SMEs to think of them as the real engine to advance a more sustainable economy.

Coverage of Information Technology, Sustainability Accounting, and Forensic Accounting' Competencies through the Canadian CPA Education Program
Emilio Boulianne

The main research objective is to examine how the Canadian CPA education program covers the information technology, sustainability accounting, and forensic accounting components. Even if key stakeholders stress the importance of these three areas for advanced accounting education, do they occupy the place it would? Research questions are: How the CPA Competency Map has been influenced by worldwide accounting associations' best practices? Did the challenges to develop courses and related materials to teach and test IT, sustainability, and forensic affect the CPA education program design? Does the business schools strong emphasis on publications in financial accounting refereed journals impacts courses and teaching resources in IT, sustainability accounting, and forensic accounting?
The research proposal
For accounting associations' managers and business schools accounting professors, an important recurrent lively question remains: what are the right competencies and education program to trained highly competent professional accountants? To answer this question, working groups, task forces, and a number of reports have been published on the future of accounting education. The US, through the AICPA and the

AAA (American Accounting Association), has been very active on the future of accounting education. For example, Albrecht and Sack (2000) released "*Accounting Education: Charting the Course Through a Perilous Future"* where they studied the content and pedagogy in accounting education. More recently, the Pathways Commission (2012) released "*Charting a National Strategy for the Next Generation of Accountants*" which studies the structure of higher education for the accounting profession.

A common link among these reports is the importance that accounting education programs must allocate to information technology (IT), sustainability accounting, and forensic accounting areas. Reports commend that future accountants must enhanced their knowledge in these three areas in ways that improve performance for clients, customers, and employers. The Pathways Commission calls for the integration of innovative IT, sustainability, and forensic accounting courses into the curricula to improve professional accountant's competencies. The wide acknowledgement of these reports echoes the claims from various stakeholders, such as the Big Four accounting firms, highlighting the importance of advanced-level education in these three areas. For example, revenues from IT, sustainability, and forensic consulting services are expected to grow with the development of new technologies, social responsibility, and fraud schemes. While there is a consensus that more IT, sustainability, and forensic is essential, include extra content into the accounting curriculum is a significant challenge in term of courses to develop, teach, and update. Develop relevant courses, related materials, and hands-on problems in these three areas are demanding on resources and educators.

An additional significant difficulty to curricular changes is the lack of recognition and incentives for work related to curriculum development and learning-resource creation. The current strong focus on research as sole key criterion for business school and accounting professors' recruitment, tenure, and advancement may prevent initiatives in the development of IT, sustainability, and forensic courses and materials. Some professors may merely lack the knowledge to invest in these areas, but even those having the knowledge may have no motivations to devote it time. This is link with the strong focus on publication in top mainstream research journals. Merchant (2010) highlights the concentration of resources in financial accounting research, which now has an impact on teaching resources. Non-financial accounting courses, such as IT, sustainability, and forensic have low representation, or are simply omitted from some accounting programs.

As per the Canadian Academic Accounting Association (CAAA) reps, the last Canadian task force initiative on the future of accounting education was in 1994, say 20 years ago, where the CAAA and CICA developed a special issue in *Contemporary Accounting Research* called *Promoting excellence in Accounting Education in Canada*. Accordingly, we may first study the Canadian accounting education current situation in examining the content of the new CPA education program. For CAAA

Reps "it's a timely matter to look at this because the world of accounting education is changing rapidly and will present new and greater challenges".

CPA Canada, as a new accounting association, had a unique opportunity to design its competency map and education program that could be based on worldwide accounting associations' best practices. The Province of Quebec has been the first to completely achieve the unification, and so its education program. Accordingly, it becomes a laboratory to examine how information technology, sustainability, and forensic accounting components are cover.

Research objectives: The main research objective is to examine how the Canadian CPA education program covers the information technology, sustainability accounting, and forensic accounting components. Even if key stakeholders stress the importance of these three areas for advanced accounting education, do they occupy the place it would? Research questions are: How the CPA Competency Map has been influenced by worldwide accounting associations' best practices? Did the challenges to develop courses and related materials to teach and test IT, sustainability, and forensic affect the CPA education program design? Does the business schools strong emphasis on publications in financial accounting refereed journals impacts courses and teaching resources in IT, sustainability, and forensic? To answer these questions, we have to examine the required CPA competencies and the related courses requirements.

At this time, there seems to have a certain disconnect between CPA Canada message and its education program. CPA Canada released its Key Priorities for 2013-2014, where the main objective is that CPAs be internationally-recognized leaders in accounting. To raise awareness and recognition, they identified a number of areas to focus on. Among these areas it is silently mention sustainability, and refer to IT and forensic only as post certification education.

A preliminary examination of the CPA Competency Map reveals that specific references to IT, sustainability, and forensic competencies are very few. For instance, content analysis of the Map document, which has 100 pages and 22,619 words, reveals that the word *information technology* only occurred 7 times, *sustainability* 4 times, *forensic* 0 time, while *financial accounting* occurs 218 times. The Competency Map determines the education program. In Quebec, the education of CPAs is provided by business schools, by way of a list of mandatory courses to pass. A first analysis for IT coverage reveals that with the unification, HEC passed from three mandatory IT courses to two, and Concordia, Laval, McGill and UQAR from two mandatory IT courses to only one. In addition, at Concordia, Laval, McGill and UQAR, the only mandatory IT course now has a MIS dominant content, and is taught by the MIS department. Thus the IT component has lost ground with the establishment of the CPA program. IT courses that were formerly mandatory are now either electives, or eliminated. Challenges to develop courses and materials to properly teach IT may be a significant factor in the decreased of courses offer in this area.

Significance: Research should monitor the evolution of IT, sustainability, and forensic coverage in the CPA education program. CPA Canada is a young association and its education program is still in the making. For years, professional accountants associations and accounting departments have had to deal with an important question: Which competencies and education program are required to train skilled professional accountants? The present research proposal, in identifying the relevant IT, sustainability, and forensic coverage could serve as a starting point for a discussion on what might be the appropriate courses to be included in the CPA education program, as well as for addressing the challenges of developing courses and materials for these three key areas. CPA Canada has as main objective to be internationally-recognized leader in accounting. Accordingly, its objective has to be reflected through its education program.

Theoretical underpinnings and methods

As a framework, there is the business school strong focus on journal rankings. Business schools' deans scrutinize and monitor rankings which are based on publication in top rank refereed journals, the latter giving almost exclusive preference to finance and financial accounting research. Business schools performances are benchmarked on rankings, which drives resources allocated, and preferences in professor/researcher profile. This focus on rankings has now also an impact on teaching where financial accounting is favor, to the detriment of other accounting fields, including information technology, sustainability accounting, and forensic accounting. As well, there is the challenge to obtain required resources to develop sound courses and hands-on materials to properly teach these three areas. For instance, IT and sustainability accounting are among the more demanding courses to teach within the accounting curriculum.

As a research method, the content analysis approach will be used, where documentation is examined to make inference on meaning of changes (Krippendorff, 2013). Root of the approach may be related to *exegesis* which is the notion of text interpretation for an understanding of its meaning, to identify specified characteristics of messages. Content analysis starts out from the research questions developed. A basic assumption is that words emphasized and mentioned most often are those reflecting importance. As a result, with content analysis we use word frequencies, space occupy, and presentation format to infer importance. We will examine the Canadian CPA Competency Map and compare with other recognized worldwide accounting associations competency maps; then examine the list of courses required that fit the competency map; as Quebec has been the first to completely achieve the unification, and so its education program, all universities in this province will be examine first; even if all courses will be examine, the focus will be on IT, sustainability, and forensic accounting content.

In addition, we will conduct interviews with various key stakeholders to determine the appropriateness of the CPA Competency Map and its related education program. For example, CPA Canada decision-makers will be interview to understand the rationale and justification for the selection and prioritization of CPA competencies. As well, interviews with Chartered Professional Accountants working in the fields of information technology, sustainability accounting, and forensic accounting will feed us on the proper match between the current education program coverage, and specific competencies needed on the job market.

"Wearing of the Green": cultural camouflage in corporate accountability
Sheila Killian, Philip O'Regan

The nature of corporate identity is often contested, particularly for multinational firms seeking to maximise their legitimacy in a new host country. As noted in the call for this conference, when facing local opposition or hostility, firms may seek to promote an image based on a set of values devised to maximise acceptance, rather than reflective of the reality of the firms actions and intentions. It is common, for example, for environmental values to be invoked in such a case, giving rise to the widespread usage of the term "Greenwashing" to describe a kind of corporate disinformation around its environmental performance and core values (Laufer, 2003). As noted in the call for this conference, this is a form of corporate camouflage, an attempt to disguise the true nature and intent of the corporation. Both the content and the medium of corporate communications may be designed in order to achieve this effect (Maier, 2011).
Beyond environmentally-based greenwashing, it is common in the case of a dispute about contested development for the different parties to mobilise accounting and account-giving in different ways to progress their own agendas. The way in which this functions is particularly important when you have a power-imbalance between parties to a dispute. Accounting as a discipline purports to be a useful, neutral means of communication, a kind of universal language of business (Killian 2010), but in fact has been found to repeatedly privilege power, whether economic (Cooper and Hopper 1988) or colonial (Pringle 1978, Neu 2000, O'Regan 2010). This effect seems particularly marked when a dispute arises between those whose interests are primarily economic, and those whose priority is some other form of value. The most widely-studied examples of this are cases of corporates opposed by environmentalists, when strategies of greenwashing are commonly implemented.
This paper explores the extent to which a different form of corporate camouflage has been deployed the case of a disputed development in Ireland led by Royal Dutch Shell. The case centres on the building of a natural gas refinery and associated pipeline in Erris, a remote area in the northwest of Ireland, with a particularly strong sense of history and tradition. Those opposed to the development were not solely operating from an environmental standpoint in the traditional sense. There was also a very subtle and well-developed sense of place and history, which was not well-understood, at least initially, by the company leading the development. This linked

implicitly to notions of identity and post-colonialism which found expression among protestors in music, art and language. The company, by contrast, initially prioritised economic values at a national level, and only later in the prolonged and very public dispute sought to engage cultural references to win social acceptance in the community.

The way in which the company sought to account for its actions and intentions – its social accounting in the broadest interpretation of that term, a loose discipline which includes accounting and other forms of communication – shifted over the course of the dispute. Beyond relying solely on its economic power to make the case for the development of the refinery, it sought to mobilise what it perceived as the key cultural levers of public opinion and acceptance. Using Bourdieu as a way of thinking about the issue, we ask how corporate accountability or social accounting operates in a field which is unfamiliar to the corporate entity, where the lines of power are obscured. In particular, when a company has operated successfully in the past based solely on its economic capital, how does its accountability mutate in the presence of opposing actors who are seen to be better resourced with cultural, social or symbolic capital? In this case, how is the economic power of the corporate translated or occluded in representations of the company or of the development which are couched in cultural or symbolic terms?

We examine this question in the context of the prolonged and entrenched dispute between Royal Dutch Shell the local and environmental protestors in Erris, Ireland. The development is a good example of a one which could be interpreted using either an economic/social or a social/cultural frame. The former implicitly prioritises the economic, focusing on the contribution and costs associated with the gas refinery. The latter frame seeks to account for a less visible value, that of an unspoiled and undeveloped environment and linking expressly to the history of the region, and in particular to the complex, post-colonial identity of the local population. A shared sense of distrust of powerful outsiders coalesced to an extent around the history of the region, centring on ideas of language, and folk memories of famine, exploitation and resistance. This created an intricate web of ideas, not always visible or comprehensible to the company, onto which they attempted to project their own ideas of "local" and "Irish", with limited success.

We initially analyse how the different parties to the dispute account for their positions, both formally through externally-legitimised reports and accounts and informally based on interviews and media reports. We explore the boundaries placed by the various actors on their own narratives, the ways in which they sought to legitimise their accounts, and the impact this had on the power-relations of the dispute. The parties with most economic capital eventually sought to obtain or appropriate cultural capital in the giving of their accounts, framing the development as a natural, almost indigenous development. Those with more cultural than economic capital moved from seeking external legitimacy in economic terms through the commissioning of expert reports towards more art-based forms of account giving which privileged the local culture and environment, and a myriad of ways to allude to local culture, history and other symbolic reference points.

We focus in particular on the way in which the company sought to cite local culture in an appropriative manner, and explore the impact this had on their level of acceptance in the community. The process of corporate cultural appropriation mirrors that of greenwashing in that it is a form of disguise or concealment of intent or identity. In this case, however, the position the company seeks to mimic is more complex and may be less well-understood than a purely environmentally-based standpoint, and so simple copying strategies may fail.

We use Bourdieu to frame our analysis of interviews, corporate communications on a wide range of levels, media accounts. His concepts of the different forms of capital, doxa and the field are ideas which help us to clarify the various kinds of powers held by the different parties throughout the dispute, and to isolate which capitals, in a Bourdieusian sense, were engaged in the various communications and representations of the company. We seek to extend some basic concepts from the greenwashing literature to address other forms of imitative behaviour, with a particular focus on corporate invocation of local cultural references in a bid to achieve social acceptance in an unfamiliar setting.

II Parallel session
Thursday 18th September 14.00 – 15.30

Session II a

Learning through social and environmental reports: the recent experience of Italian universities
Sara Moggi

The increasing focus on sustainable development (SD) in universities has led to the improvement of new tools useful for gathering knowledge about SD. SD can be implemented several ways, simultaneously or alternatively, in teaching, research, or projects. The need has arisen to monitor and measure these activities to understand how well SD works in practice. In this regard, universities have developed new performance measurement systems able to capture these activities and which help to improve the quality of social and environmental reports (SERs), thereby increasing both the level of disclosure of the universities and awareness of social and environmental dimensions. This paper analyzes how social and environmental disclosure has evolved over recent years in Italian universities to determine the extent to which attention to SD issues has increased. Given this path of improvement, we expect that these organizations have enhanced their measurement instruments for SD and knowledge of this topic. We therefore analyzed how disclosure has changed in reports, comparing the period at the beginning of this trend with the latest reports published by universities. To understand how disclosure has changed in reports, we used a framework of analysis that includes 56 aspects, based, in part, on the Global Reporting Initiative (GRI) standard G3 but also including aspects of teaching and research typical of universities. The study, which contributes to expanding the global overview of SER at universities, also reveals the general tendency to provide increasingly complete information on a university's activities, with a growing emphasis on issues related to SD, underlining how SER can meet the difficult challenge of diffusing SD knowledge. The present study provides a foundation for further studies into the ways that universities can learn from the process of reporting and how SER contributes to the awareness of SD impact.

Back to future: camufalting (un)sustainability in scholars' carrier and life. Some critical notes
Maria-Gabriella Baldarelli, Mara Del Baldo

Beginning in 1996 Gray, Owen and Adams traced the urgent need to pass from accounting to accountability that is a larger process orientated to relate to economics and social systems relationships and to try to change them in a future challenge concerning sustainability direction (Gray, Owen & Adams, 1996: 292). More recently, Gray and Laughlin traced the future perspective of Social accounting and underlined: "One aspect of significance, of course, is the extent to which accountability and sustainability require substantial, as opposed to marginal, change in the relationships" (Gray & Laughlin, 2011: 241).
A multitude of organizational, contextual and institutional factors influence both the decision-making concerning the initiation of SEAR and its characteristics (nature and extent). Furthermore, they affect the nature and quality of SEAR and impact on its relevance to promoting change in the organizational realm. However, the way in which these factors come together and influence the choice and process of SR (Gray, Owen & Adams, 1996 and 2010; Bebbington et al., 2007; Bebbington & Contrafatto, 2006; Gray et al., 1995) remains unexplored and unclear. In more recent years, engagement research has been put forward as a strong approach in developing theories to understanding SER and enhancing organizational practices and performances (Adams & Larrinaga-Gonzàlez, 2007; Contrafatto, 2010 and 2011) as well as exploring diverse issues, including change within organizations (Adams, 2002; Cooper et al., 2005; Parker, 2005). Engagement research (Contrafatto, 2010; 2011) is used to understand organizational phenomena from the 'inside' thus favouring a more grounded and contextualized comprehension of the rationale through which actors behave and individual/organizational action is constructed (Adams & Larrinaga, 2007). It aims to contribute to constructing the culture of sustainability.
In summary, in literature the thought of the authors who have contributed to developing SEAR, have analyzed and discussed on the one hand the concept of sustainability. On the other hand, they have focused on the aspects and factors that cannot afford or can hinder the development of social accounting, involving sustainability too. These factors are metaphorically called "blue meanies" by Gray & Laughlin (2011).

An exploration of the enabling potential of SEA education
Carmen Correa Ruiz, Esther Albelda

The 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 a taken-for-granted assumptions about the role of accounting displayed by postgraduate students in a compulsory course on Accounting for Sustainability in the Strategic Accounting master in Pablo de Olavide University in Spain.

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. The paper will discuss the enabling potential of social and environmental accounting education but also the extent to which accounting education (not merely social and environmental accounting education) can be used to empower future generations of accountants (Bebbington, 1997).
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 behavior. Education is a primary area of engagement which urgently requires attention. A discussion of the convenience to address change in business curricula as well as changes in the methodological approaches in existing teaching programs is provided in an attempt to reassess the effectiveness of social accounting in terms of benefiting the students, the community and the society.
Furthermore, there is Gray's dream of a better world, starting from the implementation of sustainability reports, the development of which contributes to the same accounting that becomes a driver for emancipatory change. However for this dream to come true it is necessary that these three constructs are experienced and put into practice, not only in the realm of businesses, but primarily at the level of individuals, i.e., people, including scholars and accountants.
Gray identifies in accounting a tool that can improve relationships and highlights the fact that sustainability is closely related to relationships. Yet what happens when this improvement becomes real? This brief paper focuses precisely on the possible answers to this question.
The answer by a scholar should be as follows: this improvement becomes real when there is consistency between what is said and written or, in other words, between what one is and one does. Consequently, relatedness/relationality cannot therefore exist only in the context of theoretical research, i.e. it cannot only be described and theorized. If there is no consistency between what one says and what one experiences there cannot be a truly emancipatory change.
The reason why we have formulated these brief reflections, which may sound like provocation, is that we see an inconsistency between the results of scientific research (published books and articles), even at the highest level, which discuss the sustainability of businesses, and more organizations in general, and the concrete behaviour of scholars. This is because in reality, that is, in practice, so many sacrifices are often needed to reach a high level of scientific production that are mined relations, and in particular the relationships with the/our community and our/the family.
Can this contradiction represent an important element in social accounting, on which to reflect and measure yourself? What causes this contradiction? Does it depend on the distance, even with its geographical affections, that the "world of research" often requires?

Can it be attributed to the separation between those who dedicate themselves wholly to research and those who remain to carry on all the rest? Does it depend on the distance from our own culture, linked to the fact that international research often asks us to cut or loosen our roots, namely the direct and continuous contact with our culture of origin? Can it be attributed to the distance from our colleagues?
As previously mentioned, our study and research sometimes require a great sacrifice. This sacrifice can (also) become unsustainable. As a result, we cannot talk about sustainability only in a "corporate" sense, but we need to dwell on the individual level of social sustainability, from the sustainability applied in a scholar's life and work, because a person like a scholar who carries a great message fails or finds it hard to actually apply this message to his/her private life, which is made up of emotions, relationships with our local environment and also our daily life, made up of the family.
How can this issue be presented? Does this problem relate to the critical accounting perspective (Thinker & Gray, 2003)? Therefore what Gray called for as a change that should (and could) be developed with the social accounting field of research, could have a "worm" (i.e. the aforementioned "blue meanies") in the promoters of their motivation, in scholars who are at the foundation of SEAR? Does this issue concern the sustainability of social accounting in a gender perspective? Namely, the consistency is more difficult to achieve for those who live a state of ethnic, cultural, gender, physical diversity. Or does it relate to a new dimension of sustainability, which has not yet been taken into account? That is to say, concerning the relational dimension of the scholar?
These questions bring us back to the basic concept of "study and thought", which until now have been considered as a combination of study and empirical research, i.e. as a combination of inductive and deductive method, or, in other words, in its two dimensions: the theory and application. Nevertheless, in using this perspective, there is a missing dimension - that of the life of the scholar. A philosopher (Zanghì, 2011) argues that study is life. It is not only learning, but also the very way in which it is carried out through concrete experiences, personal and group membership /relationships. Thus, we think that too often the dimension of "practical and daily life has been forgotten.
For example, the research conducted through the qualitative approach, and specifically the case-analysis, cannot be limited to the analysis of one or more aseptic cases. The scholar in the empirical case bears his being. And the result of the research, the thought that it is being developed is given both by the good practices that "is you" and you live or that the study deductive and inductive thinking, which leads to developing other deductions.
Yet there are few concrete examples: which priority should the scholar apply to be sustainable, that is to lead a sustainable professional and personal life? Might he/she absolutely respect a deadline for a paper/publication or leave for a conference or rather stand at the bedside of a sick relative and/or spend time listening to people who

demand his/her attention, presence or listening? Where is the sustainability in the necessary choice between accompanying the son/daughter on the first day of school or attending an important event on the professional level? Are these choices, which affect the scholars' professional and human sphere, sustainable? What do we mean exactly by sustainability? Has "private" life anything to do with sustainability?
Our work does not propose answers, but it intends to open a path of reflection for developing possible answers to the same question: Are we then moving towards emancipatory accounting and are we building emancipatory accounting? Are we active builders of a new world centered primarily on relations? Or the same scholars (ourselves) are, perhaps, in secret those blue meanies mentioned by Gray and Laughlin that are in fact supporting social accounting?

Session II b

The interaction between industry-specific guidelines and corporate social reporting

Ericka Costa, Caterina Pesci, Michele Andreaus, Emanuele Taufer

The aim of this study is contributing to the debate regarding the necessity or the opportunity of setting up industry-specific guidelines for corporate social and environmental reporting (CSRep) considering the specificity of Cooperative Banks (CBs).
The topic arises by the awareness that several studies have evidenced that voluntary CSRep is characterized by a lack of neutrality and objectivity because it is subject to considerable discretion by managers (Adams, 2004) and is often used as a "green-wash" technique devoid of outcome-based results (Netwon and Harte, 1997). In this sense, CSRep does not meet the stakeholder claims and issues (Dando and Swift, 2003) and this has induced many scholars to affirm that compulsory CSRep is the most appropriate approach (Bebbington, 1999). Mobus (2005) suggests that enforcement mechanisms would make CSRep mandatory, thus increasing the quality of the disclosure and reducing manipulative intentions. However, other researchers have highlighted that despite mandatory disclosure, many companies do not comply with the requirements and when they do, the quality of the CSRep is fairly low (Criado-Jimenez et al., 2008; Larrinaga et al., 2002).
When CSRep is not mandatory, a number of scholars suggest the adoption of standards as a solution to some of the problems related to social and environmental reporting heterogeneity and subjectivity (Belal and Roberts, 2010, O'Dwyer et al., 2005). Standardization of voluntary disclosure should not be conceived as a final

solution to the above-mentioned problem but some authors, by suggesting the importance of standardization, have also highlighted the problems associated with it (Gilbert et al., 2011). In the maze of guidelines and standards, one of the most significant dilemmas is related to the choice of the appropriate guideline because the stakeholder at whom the report is aimed has to be considered. (Rasche and Esser, 2006). An appropriate guideline should not overlook any relevant stakeholders because the final aim of the accountability practice is to address the information needs and concerns of all relevant stakeholders by providing reliable and relevant information (Owen et al. 2001; GRI, 2006; Rasche and Esser, 2006).

In this scenario, institutions promote actions like the Global Reporting Initiative (GRI) in order to produce an attempt to extend and standardize the reporting of corporate social and environmental impacts of the companies' activities. The first GRI guideline was developed in 1997 and nowadays GRI guidelenies are the most widely used, even if greater attention is also posed to the AccountAbility 1000 (AA1000) set out by the Institute of Social and Ethical AccountAbility (ISEA) (Adams, 2004; Clarckson et al., 2011).

On this point, the CSRep framework considers two main issues. On one side scholars promote and suggest the use of guidelines (Belal and Roberts, 2010, O'Dwyer et al., 2005) also on the basis of the results of several studies that discuss the role of mandatory (Larrinaga et al., 2002; Mobus, 2005) and voluntary (Kolk, 2005; KPMG, 2005) disclosure. On the other side there are researches that evaluate the organization's compliance to the guideline (Roca and Searcy, 2012; Clarckson et al. 2011) and what motivates organizations to adopt them (Nikolaeva and Bicho, 2011) especially by referring to the GRI.

However, there is a lack of studies that evaluates if and how the use of a standard might improve the extent and the quality of the information disclosed in CSRep. Companies which adhere to a standard (like GRI) may arbitrarily decide to completely report on the information suggested by the guidelines or, if they want, may voluntarily add information. Moreover, there is scarce evidence of if and how the adoption of a industry-specific guideline – i.e a guideline that refers to a specific sector of activities, like the 'Sector Supplement' promotes by the GRI – might contribute to enrich the extent and the completeness of the disclosed information in CSRep.

For these reasons, this study investigates the application of an industry-specific guideline in cooperative banks in Italy in order to understand if the quality and the extent of reported information is higher when organizations use the indicators proposed and suggested by an industry specific guideline – in this case the guideline for the banking sector - or when they use other indicators not compliant with industry-specific guidelines in their CSRep. The issue proposed seems to be important in a Country such as Italy in which, also due to the voluntary nature of social and environmental reporting, there is a proliferation of standard and guidelines for standardizing these reporting practices. In a similar scenario, great efforts in terms of

time and costs have been employed in the development of a plethora of industry-specific guidelines and it needs to be studied. Further works are required in order to better understand the effective role of the guidelines, indeed their existence could contribute to a better reporting activity or could generate further confusion by providing information of scarce quality.
The guideline which has been considered in this study is that developed in 2006 by the Italian Bank Association - Associazione Bancaria Italiana (ABI).
The use of the ABI industry-specific guidelines in this paper has been studied in a non-profit context such as Cooperative Banks (CBs), in order to explore if this industry-specific guideline may be really helpful in drawing up voluntary social and environmental disclosure regardless the nature profit or non-profit of the organizations. CBs differ from commercial and investment banks due to their history, structure, organizational form and original business objectives (Cuevas and Fisher, 2006). In this sense it is important to underline that within the ABI association the presence of Cooperative Banks is strong, so it seemed logical to assume that the ABI guidelines has also to well fit with the Cooperative feature of these Banks.
Furthermore a study considering industry-specific guidelines for Cooperatives Banks may be interesting because in Europe there are numerous, fairly large CBs (Cuevas and Fisher, 2006; EACB, 2010a) and they play an important and growing role in the worldwide economic and financial system (Hesse and Cihak, 2007). Key statistics of the European Cooperative Banks Association show that in 2009 CBs had more than 176 million of clients, employed approximately 780,000 people and operate with more than 65,000 outlets. The also hold an average market share credits of 20% even if in some countries this percentage increase significantly (Italy, 30.8%, Austria, 32.5%, France, 46.5%) (EACB, 2009).
In Italy the number of regional/local Italian banking cooperatives was 522 (421 CBs), so that they account for 13% of the total number of cooperative banks in 20 European countries. These banking cooperatives employ 113,960 workers, have more than 15 million customers, 13,761 branches and more than 2 million members.
Thus, this paper may add knowledge to the studies on standardizations dilemmas but also to the studies on CBs that up to now have stressed the investigation on their government requirements and efficiency criteria (Gagliardi and Trivieri, 2010).
Starting from these basis, the aim of this paper is twofold. Primarily, it attempts to empirically identify the indicators that are currently disclosed in corporate social reporting (CSRep) from cooperative banks (CBs) in Italy. Second, by developing a regression model it attempts to evaluate the relationship between the adoption of the ABI guideline and the level of disclosure by considering how the use of this guideline might improve the volume and the detail of the information reported. Furthermore by developing a content analysis (Krippendorf, 1980) for 98 CBs located in Northern Italy, this study explores how these organizations discharge accountability by examining the volume and the quality of the disclosure and by comparing ABI indicators with Non-ABI indicators.

In other words, this work is an attempt to understand the importance of voluntary guidance (ABI) for creating patterns of reporting among CBs. By establishing a relationship between the adoption of the ABI model and the quality and volume of the disclosure, this paper aims at determining whether CBs which are consistent with ABI model provide more detailed information than CBs that are not consistent therein. Two main Research Hypothesis are addressed:1. In CBs' CSRep, the volume of the indicators that belong to the standard (ABI) is on average higher when compared with the volume of the indicators that do not belong to the guidelines (Non-ABI); 2. In CBs' CSRep, the completeness of the indicators that belong to the standard (ABI) is on average higher when compared with the volume of the indicators that do not belong to the guidelines (Non-ABI).
In terms of final results our findings evidence that ABI guidelines provide low-quality information compared to industry specific information provided without following these guidelines when referring to costumer and community area. It seems that ABI guidelines do not consider the inclusion of information particularly relevant for non-profit Cooperative Banks. This results conflict with the proportion of Cooperative Banks included in ABI organization. In conclusion the study support the scepticism toward standards demonstrated in other studies (Dumay et al., 2010; Moneva et. al, 2006).

Has the global financial crisis modified the relevance of GRI's disclosure on Environment and Human Resources in Italy?
Luca Fornaciari, Caterina Pesci

Many authors consider the extent to which corporate social and environmental reporting is consistent with corporate performance as an 'unresolved research issue' (Clarckson et al., 2010; Clarckson et al., 2004; Sharfman and Fernando 2008; Connors and Silva-Gao 2008; Dhaliwal, Li, Tsang and Yang; 2010; Plumlee, Brown and Marshall 2009).
The existing literature devotes ample space to the disclosure of voluntary information on social and environmental topics (Gray, 1991; Parker, 2005). But due to the voluntary nature of the majority of social and environmental accounting practices some scholars promote and suggest the use of standard (Belal and Roberts, 2010, O'Dwyer et al., 2005) such as Global Reporting Initiative sustainability reporting guidelines (GRI guidelines) to improve the quality and the reliability of the social and environmental accounting reports. Moreover even though the use of GRI guidelines is object of study and discussion (Wills, 2003; Adams and Sutshi, 2004; Guthrie, 2005; Moneva, Archel and Correa, 2006; Bouten et al., 2011) the effect of the global financial crisis on the meaningfulness of GRI information is still sparsely studied.
In this scenario our study seeks to contribute to the 'unresolved issue' concerning the relationship between social and environmental reporting and corporate performance

examining the impact of voluntary social and environmental reporting information on financial performances before and during the financial crisis. In this study the voluntary social and environmental information examined refers to the environment, as in the majority of the previous studies, but also to the human resources. In particular the information selected is that suggested by the GRI guidelines.
The study is based on a sample of Italian companies listed in the Milan stock exchange for a nine year period (2004-2012) and also by using an index in order to measure the social and environmental disclosure it analyses the value relevance of voluntary social and environmental accounting information (Clarkson et al., 2013; Clarkson et al., 2008).
From the methodological viewpoint our study consider a sample of 58 listed companies because only 58 listed companies have published a social and environmental report for two years consecutively. In particular, these firms represents the 51.18% of the entire stock market capitalization at 30 April 2013.
In detail we have defined three research questions: 1. Is CSR disclosure positively associated with share price/market values of equity before a financial crisis? 2. During a financial crisis, does the value relevance of accounting and CSR information decrease or increase? 3. Are higher levels of CSR disclosure more value relevant that low levels?

Sustainability and Human Rights: consistency or conflict?
Gregory Morris

The call to foster sustainability and sustainable development is now a very important part of the business landscape. Starting in earnest in the early 60s with the World Wildlife Fund seeking to limit the impact that humans have on the animal kingdom and in the very early 1970s Greenpeace, as a nongovernmental organisation, stressing the importance of the whole environment, sustainability and sustainable development is now a set of ideas, principles, frameworks, visions and behaviours that business takes seriously. But such ideas are not just driven by NGOs, on an international level, as early as 1972 the Stockholm summit discussed the environment and the relationship between it and humans. In a similar manner in 1992 in Rio de Janeiro, delegates considered principles that would underpin the protection of the environment.
In addition, throughout this time various governments introduced laws intended to protect humans and make their lives better through the mechanism of protecting the environment.
It is clear that over the last 50 years or so, more and more consideration has been given to the relationship between humans, the environment, the whole world and the future of all. There has developed an ever growing awareness of the impact that human activity, including business activity, did have and is having on human beings

and on the natural world.

There is an illuminating articulation of the relationship between humans and the environment to be found in the words of the theologian Lukas Vischer *"Human activities, especially economic production, must not exceed the boundaries set by the biosystem. Resources must not be exploited to such an extent that they cannot be renewed or replaced by other resources."* (Fischer 2006)

This sentiment is also expressed in the much quoted words from the Brundtland Report (1987) which identified sustainable development as: *"... meeting the needs of the present without compromising the ability of future generations to meet their own needs"* (Brundtland, 1987, p8) although the inclusion of future generations raises certain very problematic issues.

Notwithstanding that the concept of sustainability and by derivation, sustainable development has been described as a somewhat contested and ambiguous concept (Ball and Milne, 2005), the importance of sustainability and sustainable development is here to stay and will impact upon the shape of our future.

In a somewhat parallel development, the human rights narrative has been an important normative discourse for over sixty years. Since the UN Universal Declaration of Human Rights in 1948 (United Nations 1948) ever more attention has been paid to the principles set out in that Declaration.

At the beginning of the 21st century, the calls for the recognition and protection of human rights speak loudly around the world. Human rights as a standard of protection and aspiration are called upon and used by individuals, collective groups of individuals and NGOs as well as by governments of powerful and economically developed countries.

With the growth of secularisation and the abandonment of many ideologies, for example Marxist based ideologies, and the adoption, perhaps even subliminally, of some form of neo-liberalism by many societies, the normative content and possibly teleological nature of human rights has almost become a substitute religion for many people, albeit a secular one (Julius 2010). This may be particularly ironic given what could be considered the foundation of modern day human rights originates from within organised religion (Griffin 2007).

The human rights narrative provides a powerful and very useful way of assessing and criticising the decisions and actions of governments and other bodies. The human rights movement provides opportunities for offering and creating new, more welcome, more wholesome futures for humankind.

But, rather like sustainability and sustainable development, references to human rights as a set of standards against which decisions, actions and states of affairs are held wanting, raises questions of what is meant by human rights. The relationship between normative human rights principles (not based on law), declarations by supra national bodies (such as the United Nations) and national governments on various aspects of human rights and the embodiment (whether wholly or partially and whether successfully or not) of human rights principles into various international treaties (see

for example European Convention on Human Rights) and/or national laws is subject to ongoing discussion.
The purpose of this paper is not however to find the "true" meaning of human rights or sustainability. Instead this paper seeks to discuss and assess the relationship between certain aspects of these two important pillars of 21st century normative behaviour.
In particular the paper focuses upon the implications for business of the requirements to be sustainable when considered in the context of the protection of certain specified human rights that is offered by legal systems adopted by more than one country.
The paper explores a number of fundamental human rights expressed in the UN Declaration of 1948 and subsequently adopted by many countries and asks whether the principles expressed by the sustainability and sustainable development movement are consistent with such fundamental human rights.
Although there is a vast literature on (1) sustainability and sustainable development and on (ii) human rights (from various perspectives) the literature that exists which links, business activities, sustainability and human rights tends to address the importance of how business, insofar as it contributes to development in such countries should heed the human rights of the inhabitants of those countries.
Little has been written as to how the relationship between certain specific human rights and sustainability is to be understood.
This paper considers one important human right in particular, the human right which can be identified as the right to enjoy possessions. This right is to be interfered with only in specific circumstances and its possession seems to be important for most human beings and most governments seek to protect this right. In the paper a number of the conditions necessary for the exercise of this right are identified and discussed. Also in the paper an assessment is made as to the consistency of these conditions with the principles (and consequences) that underlie the call for sustainability.
The investigation undertaken in this paper is relevant for discussions that consider the relationship between sustainability, sustainable development and business. The work of Ruggie (see for example Ruggie 2011) sets out one way of approaching the relationship between business and human rights. However unlike Ruggie 2011, this paper discusses, not the obligations that businesses have in connection with human rights but the human rights that businesses, particularly companies, actually possess.
In common with human beings companies have human rights too... this is often overlooked and yet the possession of human rights by companies has a bearing on how sustainability and sustainable development can be understood as a normative framework applying to companies.
This paper, therefore, addresses an important topic by considering the relationship between two sets of normative principles and seeks to identify the issues that might hinder the call for sustainability and sustainable development. By identifying and discussing the matters in respect of which both human rights and sustainability have

relevance the consistency or conflict of these two important collections of normative principles can be considered.

Session II c

On the value relevance of environmental information during economic downturn. An empirical analysis of Italian listed companies
Marco Fazzini and Lorenzo Dal Maso

A growing body of literature points to the fact that capital markets react to environmental news. The increasing importance of environmental issues for economic decision-making and the presence of ethical investors create incentives for environmental information disclosure (Berthelot et al., 2003; Gupta and Goldar 2006; Moneva and Cuellar, 2009). As a result, environmental factors are becoming increasingly significant for comprehensive firm valuation (Agostini and Costa, 2012).
However, the manner in which they use information for firm valuation is still not entirely clear.
Does stakeholders' valuation of firms depend upon corporate environmental disclosure? If so, in what manner does such information influence their perceptions of firms (Cormier and Magnan, 2003). Starting from these simples questions, this paper aim is to provide insight of how environmental information is reflected in the market value of listed Italian companies.
Prior literature suggests that voluntary disclosure play a signaling role in financial markets; however, results are mixed.
The reason why subsequent researches have produced mixed findings is because voluntary social and environmental disclosures are diverse in their extent and content and the lack of common standard limits usefulness in measuring environmental and social performance (Barth and McNichols, 1994; Hedberg and Malmborg, 2003; Clarkson *et al*., 2008; Tagesson *et al*., 2009).
For this reason, on December 2013 the European Coalition for Corporate Justice vote, ad approved, for a draft law on non-financial reporting which requires large EU companies (over 500 employees) to include in their management reports a non-financial statement on the impact of their activities relating to environmental, social and employee matters, including respect for human rights and efforts to combat corruption and bribery. In doing so, large companies must be required to report on any significant risks posed to society and the environment, on any significant

incidences that have occurred, including within the supply chain, and the policies they have in place to minimize risks and damage (European Parliament – Legal Affairs, 2013).
The method used in order to investigate the value relevance environmental information is an accounting-based valuation model developed by Ohlson in 1995. We consider the value relevance propriety as the ability of financial and, or, non-financial measure to affects equity values. Therefore, our regression model considers the market value of equity as a function of: (a) book value, (b) accounting earnings and (c) environmental performance indicators. In order to overcome the limitations of low comparability of non financial information disclosed (the Italian legislative decree n.32 (2.2.2007), following the 51/2003/CE directive, tries to promote the presence of extra-financials information in the annual reports - Agostini and Costa, 2012), we adopt an empirical approach in which environmental performance is provided externally by Bloomberg Environmental, Social and Governance data.
Our paper contributes to the environmental literature by investigating the relationship between environmental information and market value in twofold manner; (a) it is the first study which investigates the value relevance of environmental information in the Italian context and (b) it uses a comprehensive set of environmental information provided by Bloomberg ESG database. In fact, this is the most important contributions of our research since none of previous studies, as far as we are aware, consider wide-ranging financial environmental information that can provide a holistic vision of the environmental activity of the firm (Moneva and Cuellar, 2009).

Does Environmental Performance affect Environmental Disclosure of Italian Companies?
Silvia Solimene, Daniela Coluccia, Eugenio D'Amico, Stefano Fontana

The aim of the present study is to verify the presence and the evolution of (voluntary) environmental disclosure with reference to Italian firms.
We have examined the documentation of listed firms both in 2006 and 2009, that have been chosen because they immediately precede and immediately follow the emanation in Italy of the legislative decree n. 32 of 2007 that introduced for the first time in Italy – at least in voluntary terms - the information about environment. Therefore, the analysis of the two years mentioned allows us also to verify whether and how firms operated after this new legislative indication.
We propose an approach based on multivariate regression analysis in order to assess the evolution and the determinants of voluntary environmental disclosure.
The dependent variable is represented by the disclosure index, that we have estimated through the analysis of the corporate documents of the years 2006 and 2009. Independent variables are as follows: firm size, business industry, financial situation, public shareholders, legislation and environmental performance.

In contrast with the previous studies on this issue, the results of our analysis show an inverse (negative) and statistically significant relation between voluntary environmental disclosure and environmental performance. Moreover, the results show the positive effect of the legislative decree n. 32 of 2007. Finally, our analysis confirms the positive relation between environmental disclosure and the presence of government shareholdings in the ownership structure.

Conflict minerals reporting under the U.S. Dodd-Frank Act
Robert Klassen and Thomas Schneider

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.[1] 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

[1] *National Association of Manufacturers v. U.S. Securities and Exchange Commission*, 13-5252, U.S. Court of Appeals, District of Columbia (Washington).

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. We 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.

Papers with discussants
Friday 19th September 9.15 – 10.45

The Illusion of CSR: The Case of Spanish Savings Banks
Pablo Gomez-Carrasco, Encarna Guillamon-Saorin, Beatriz García Osma

The relationship between social and financial performance is subject to numerous contradictions both in academic literature and business behaviour. The analysis is complicated by the use of different methodologies to measure social performance as well as a weak and diffuse theoretical framework. In this paper, we propose a novel reclassification of the component parts of Corporate Social Responsibility (CSR) in terms of their connection or disconnection to the core business. This leads us to distinguish between 'Core CSR' and 'Supplementary CSR'. This approach helps to identify and explain what we denote the Illusion of CSR, which is the paradoxical coincidence of a high philanthropic activity with a remarkable social prejudice through the main business. We illustrate our theoretical reflection through the case of Spanish savings banks and the historical evolution of their CSR policies. We analyse the contradictions that took place during the financial crisis, when these credit institutions presented a high expenditure in welfare projects and simultaneously a negative impact on Spanish society through their financial activity, which we consider a paradigmatic case of the research question.

Organisational change through environmental management and environmental voluntary disclosure: an empirical viewpoint
Emilio Passetti, Lino Cinquini, Martino Colombo, Andrea Tenucci,

Environmental management and environmental disclosure are important dimensions of company's conduct. Environmental management is aimed to internally manage environmental aspects, whereas environmental disclosure promotes and builds external relationships. Up to now, the literature has shown a limited attention toward the analysis of their relationship in the perspective of organisational change. This research using survey and content analysis analysis four different conducts of companies showing a relative increase of environmental awareness. Green washing is avoided by the companies even if negative action based conducts (i.e. non environmental awareness) are still a major point of concern. Organisational change appears to be mainly driven by internal environmental management while environmental voluntary disclosure seems to occupy less important.

III Parallel session
Friday 19th September 11.15 – 12.45

Session III a

Corporate Social Responsibility reporting Practices in Islamic Banks, Conventional banks and Conventional banks that offering Islamic windows
Ghareeb Almutairi

Corporate social responsibility (CSR) and CSR reporting is not a new concept in the accounting literature. A large number of studies have empirically assessed CSR reporting practices around the world. However, the amount of research which have been focused on CSR reporting practices in the Islamic world in general and Arab countries in particular have been limited. Following the financial crisis of 2008, the Islamic banking system has received international attention due to its socio-economic role. As a result, a growing number of studies have investigated the influence of Islamic values on CSR reporting practices in general and Islamic Financial Institutions (IFIs) in particular (Kamla and Rammal 2013; Zubairu *et al.* 2012; Belal *et al.* 2011; Haniffa and Hudaib 2007; Kamla 2007; Maali *et al.* 2006). All of the mentioned papers agreed on the fact that Islamic banks are expected to be more socially responsible than their conventional ones.
A review of prior studies reveals that the discussion on CSR reporting from an Islamic perspective does not go beyond the exploration of the extent of the compliance of Islamic financial institutions reporting with Islamic Sharia. Nevertheless, there are different types of Islamic financial institutions and these studies have ignored the exploration of the differences in CSR reporting practices among them. We can identify three different groups of banks operating in Muslim and non-Muslims countries: Islamic Banks, Conventional banks and Conventional banks offering Islamic windows. Furthermore, previous literature has not taken into account the Influence of both Islamic and cultural values on CSR reporting by Islamic banks and/or conventional ones based in the Islamic world. Finally, while previous studies have focused only on Islamic and/or conventional banks, they failed to look at CSR reporting practices by conventional banks that offer Islamic windows. Thus, this study aims at gap in social accounting literature.
The primary purpose of the research is to explore the differences in CSR reporting among 3 types of banks, Islamic Banks, Conventional banks and Conventional banks that offer Islamic windows, operating in Gulf Cooperation Council (GCC, namely

Kuwait, Saudi Arabia, UAE, Qatar, Bahrain and Oman) and Western countries. This purpose will be pursued along three dimensions. First, the study will focus on the three types of banks operating in GCC countries to explore the differences in CSR reporting practices by analysing their annual and stand-alone CSR reports as well as corporate websites. Second, the study will focus on the same types of banks operating also in non-Muslim countries and make a comparison between each type of bank with similar group of banks operating in GCC countries. In particular, the study is interested in verifying whether banks operating both in Muslim and non-Muslim countries have different reporting behaviours according to the community they are reporting to. Finally, the study seeks to explore the potential motivations for CSR reporting by the three groups of banks. In line with the set objectives and the conceptual framework, the following research questions are addressed in the research:

- What are the differences in CSR reporting among the three types of banks based in GCC?
- What are the differences in CSR reporting between these banks operating in GCC countries and similar group of banks based in non Muslim countries?
- What are the motivations for CSR reporting in the three groups of banks?

The study will primarily enrich the field of CSR disclosures looking at reporting practices in GCC countries as a main part of Islamic world and contribute to a better understanding of social accounting problems by examining CSR reporting practices using the Islamic perspective. The study will also give new insights into the influences of Islam and culture values on CSR reporting in different groups of banks based in Muslim and non Muslim countries. Moreover, the study will be the first attempt, to the best of my knowledge, to explore the CSR reporting practices in Islamic Banks, Conventional banks and Conventional banks offering Islamic windows, based in GCC countries.

In order to answer the research questions and develop a full and rich picture of the phenomena under study, we will make use of two complementary methods: content analysis and interviews. Content Analysis will be used to address the first and second research questions, while interviews will be conducted to reveal the motivations for CSR information disclosed by the three types of banks.

We expect to find that Islamic banks operating in GCC countries provide roughly similar CSR disclosures to conventional ones and conventional banks that offering Islamic windows. This is because the three types of banks operating in Muslim countries such as GCC countries are influenced by the same Islamic and culture values. On the contrary, we expect to see that Islamic banks operating in non-Muslim countries provide more CSR disclosures than Islamic banks operating in GCC countries or other Muslim countries, mainly because Islamic banks based in non Muslim countries need to show to the community that they comply with Islamic Sharia which emphasises social Issues.

Exploring Intellectual Capital information in sustainability and social reports: evidence from Italian Banking sector

Maria Assunta Baldini, Romilda Mazzotta, Giovanni Bronzetti

In a knowledge-based economy Intellectual Capital (IC) is a main source for companies to gain competitive advantage. IC is a business resource that includes know-how, patents, internal and external relationships. It is widely acknowledged as one of the most critical resources which organizations rely on to improve their efficacy and efficiency, and hence help to improve the value creation and competitive advantage (de Pablos, 2003).

This study focuses on banking sector, which is one of the most knowledge-intensive industries. The aim of this paper is to examine empirically the level and the extent of Intellectual Capital (IC) information in the sustainability reports over the years 2006 and 2012.

Several empirical studies have examined the quantity and the nature of IC information disclosure in annual reports in different industries and countries, but few studies have analyzed the ICD in the financial sector. The choice to focus on the banking sector is linked primarily to the fact that it represents an interesting stream as these companies fall under high-intensive IC, just thinking of the use of highly specialized human resources in the economic and financial field.

This study aims to analyze the nature and extent of information on intellectual capital in the sustainability reports of companies belonging to the banking industry with two main purposes: to observe a sector often set aside despite its important role in the economy and to reply to the growing demand for longitudinal analysis in the field of intellectual capital (Mention, 2011).

The first objective is achieved by identifying the presence or absence of information on intellectual capital in the sustainability reports; while the extension (number of times of calling an item) of disclosure has measured with the frequency of reporting an item within the report with reference to a single banking institute.

The second purpose of the paper is achieved by taking into account two years, 2006 and 2012.

The industry in which the analysis is conducted is peculiar in that it is a knowledge-intensive industry that has undergone deep changes over the last decade, who have given more importance to intellectual capital as a resource source of value and competitive advantage. The empirical analysis is carried out by analyzing the social reporting of the listed banks on the Milan Stock Exchange through the content analysis for the years 2006 and 2012, in order to capture the effect of Basel II on the level of corporate information.

Social performance of companies connected with government: the slack resource based perspective.

Romlah Jaffar and Sarifah Ismail

These days business entities need to consider both social and financial performance issue strategically in order to sustain the business and satisfy various stakeholders' expectation. This is especially imperative in companies that have close connection with the government. Logically, companies with connection are expected to have better social performance because they are expected to participate in government policies which include the incorporation of social needs in companies' operation. Additionally, since these companies enjoy systematic exchange of favour via easier access to government subsidies and contracts, preference in getting business loan and better competitive position, the financial performance is expected to be stronger. Past studies in Malaysia show that the performance of companies connected with government are poorer compare to the performance of companies without the connection. However the nature of the social performance of these companies, to the author knowledge, has never been investigated. Therefore, this study investigated the relationship between social and financial performance of companies connected with the government. The slack resource theory would be utilized to test the research framework. The theory argues that companies who are financially strong would have more slack resources that would provide them with the opportunity to participate in social related activities such as environment protection and community services. This study employs an improved method to measure social performance, which is based on Global Reporting Initiatives (GRI) for social and environmental rating. Sample of this study comprises of top 100 companies with the highest corporate governance score for the year of 2009 and 2011. The results of the study show that companies' connection with the government does not have any significant influence toward the improvement of social and financial performance. In fact, the connection does provide negative influence toward financial performance. It implies that the slack resource theory proposition does not work in companies connected with government. These findings provide relevant input to the regulatory bodies, of the effect of connection (appointment of government officers, ex politicians or government ownership) toward social and financial performance of companies.

Session III b

When accounting choices are not driven by opportunistic behaviours: the case of environmental accrued liabilities
Jonathan Maurice

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.

Sustainability and SMEs: the case of CSR4UTOOL web application
Laura Corazza

Several business administration scholars recognized the presence of ethical roots at the base of the actual crisis both in large and small companies. In addition, Small and Medium-sized enterprises (SMEs) positively represent the backbone of the European economic system and, negatively, they represent the 64% of all European environmental pollution, generated by an unethical conduct (Eurobarometer, 2012). The purpose of this paper is to understand and explain if SMEs are able to change their management practices with more sustainable practices using a self-assessment and learning tool. A literature analysis of how SMEs address sustainability issues will be discussed especially, the need of tools for SMEs. The contribution can be classified as demonstration paper as it focuses on a technology prototype. The focus of the paper relies on the presentation of an experimental and innovative web-based tool for interactive assessment of CSR for small entrepreneurs, called CSR4UTOOL. The theoretical model at the base of the algorithm is the Carroll's Pyramid of Responsibilities (1979).

The standardization of environmental management accounting
Marek Reuter

The presented work is part of an ongoing ethnographic case study with a focus on investigating the role and effects of certified environmental management system standards (e.g. EMAS, ISO 50001, ISO 14001). Speaking generally, the case study has two objectives. First, to explicitly pay attention to the role standardization plays for environmental management accounting systems and practices. And second, to investigate certified management system standards from a managerial perspective, i.e. from a perspective of those affected by (management system) standards. Besides this rather general focus, the further development of research – at this point in time – remains very open as the systematic analysis of collected data has just started. Data collection up to now was pursued in an exploratory and broad manner. The next step will be identifying central topics that will then be investigated more focused and in more depth. The presentation at the CSEAR Italy conference is considered as being helpful for discussing and further developing these topics as well as gaining ideas on how to position the research within the EMA literature. What follows is a brief and generic outline of the research as well as some background information on the case-study and -organization.

Session III c

An open question in the integrated reporting: materiality or conciseness?
Francesco Bavagnoli, Maurizio Comoli, Lorenzo Gelmini, Patrizia Riva

The issue of materiality has recently gained considerable momentum in the debate of scholars of Integrated Reporting. In effect, the "International <IR> Framework" ("Integrated Reporting Framework"), released by the International Integrated Reporting Council ("IIRC") in December 2013, includes materiality as one of the guiding principles of Integrated Reporting and it connects materiality to "matters that substantively affect the organization's ability to create value over the short, medium and long term". In addition, in 2014 the IIRC itself has promoted a call for papers with the aim to investigate, inter alia, the mutual relationships between materiality and conciseness, which is another guiding principle of Integrated Reporting and which is defined in terms of "[Integrated Reporting not] burdened with less relevant information". An effective and positive Integrated Reporting, in this sense, shall balance both principles. Hence, the role of materiality and conciseness – in the context of Integrated Reporting – is a new and cutting edge issue in the accounting studies, which could be examined from a perspective both theoretical and empirical.

Does institutional context impact on stakeholder dialogue? A comparative analysis of large FTSE4Good Global index companies.
Viviana Pilato, Matteo Pedrini, Laura Maria Ferri

Although the emphasis on stakeholder dialogue (SD) has recently increased in the extant literature, there is a lack of empirical evidence on the SD initiatives undertaken by firms and the literature is still fragmented. According to focal studies on the relationship between CSR and institutional contexts, this paper aims at advancing the understanding of how companies translate stakeholder dialogue into practice. Moreover, adopting the institutional theory, this study aims to understand how different CSR institutional contexts influence SD, through the analysis of the SD initiatives realized by 418 companies listed in the FTSE4Good Global index at 31st December 2011 from 20 different countries. In this article, we provide information about 2,797 stakeholder dialogue initiatives, exploring the relationship between SD and characteristics of national business system. Overall, our findings offer contribution to empirical research about the link between SD initiatives and different contexts, thus filling the gap and providing evidences to theoretical debate. Moreover, our study takes a further step by adopting the institutional theory as reference framework, thus proposing a new perspective to SD which will help to understand whether the pathway of development of SD significantly differs depending on institutional characteristics of the context where the company operates, increasing the ongoing debate. Results confirmed the different approaches to CSR described by Matten and Moon (2008), highlighting that companies operating in countries with an implicit approach tend to differ from those in explicit countries as far as SD practices are concerned, confirming the role of the institutional setting in determining companies' SD approach. Furthermore, though the implicit approach was referred to European countries in general by Matten and Moon (2008), our findings have shed light on the heterogeneity of the implicit models, as the behavior of the companies in the sample differ in different countries. Specifically, similar patterns of behavior have been identified among companies which do not only belong to the implicit framework, but also refer to the same model according to Albareda et al. (2007). Finally, we consider Japanese companies, as the last national institutional context considered in the study confirming the extant literature on the Japanese context, which emphasizes an implicit CSR framework (Witt and Redding, 2011; Wokutch, 1990). Notwithstanding the research provides clear empirical support to the existence of different attitudes according to Matten and Moon (2008) and Albareda et al. (2007), at the end of the paper some limitations and future directions are discussed.

Stakeholders' Engagement in Corporate Social Responsibility Disclosure Practice: Evidence from UK Companies and their Customers
Abeer Hassan and Heather Tarbert

Previous literature concerning stakeholder engagement is split into two groups. The first group has focused on stakeholders' engagement from companies' perspective, looking at how the strategic management of companies can be influenced by stakeholders' involvement (Ditlev-Simonsen and Midttun, 2011; Gallego-Alvarez et.al., 2009; Roberts 1992; Ullman, 1985; Freeman, 1984). The second group has focused on stakeholders' engagement from stakeholders' perspective (Bhattacharya, et al., 2009). However, there is very little research into the effectiveness of stakeholder engagement from both stakeholders' and companies' perspective. This study will cover this gap by investigating stakeholders' engagement from both companies and stakeholders' point of view, with the focus on customers as one of the main stakeholders. Therefore, the broad aim of this study is to assess the extent to which companies are utilising the benefits of customer engagement. To achieve the main aim, key sub-aims have established to investigate whether companies that disclose on customer engagement are (1) more likely to be pro-active in their approach to corporate social responsibility (CSR), (2) Can successfully influence their customers' attitude to CSR, (3) Can successfully influence their customers' behaviour and effectively involve their customers in their CSR. To achieve the aims, the study adopted two-stage methodology. In the first stage, the researchers examined only 60 (out of the UK FTSE top 100) UK companies' reports that classified as Business to customer (B2C), in order to conclude if companies that disclose on customer engagement are more likely to be 'pro-active companies'. In the second stage and in order to analyse the effects of customer engagement, from the customers' perspective, a survey is conducted with 160 customers from the well known brands from different sectors to find out if customers' engagement results in pro-active customers.
The initial results from the 60 UK companies revealed that companies that engage with their customers *are* more likely to be pro-active; compared with companies that do not disclose on customer engagement. Analysis of the survey results show that customer engagement *does not* play a role in influencing customers' CSR behaviour. Further analysis was conducted to investigate customers' level of pro-activity, and the main influencing factor was found to be age; mature respondents are more likely to participate in pro-active CSR behaviours. It was concluded that there is a communication problem when companies engage with their customers in relation to CSR. Companies are not communicating effectively and thus customers are unaware

of their motives or they are sceptical. Therefore, companies are not fully utilising the benefits of customer engagement. In conclusion, this study proposes that effective customer engagement can provide benefits for companies, customers and society at large. Effective customer engagement has the potential to maximise the efficiency of companies' CSR activities through increased customer participation; thus encouraging customers to become 'pro-active.'