SEPSD01 Chair : MAREK CIESLAK Room : **Amphi 6**

Constructing Financial Environmental Information: A Case Study Of A Nordic Energy Company

Discussant : *Jan Bebbington*

Author : *MATIAS LAINE, UNIVERSITY OF TAMPERE* CF = Case / Field Study

Co-authors : *Janne Järvinen, University of Oulu*
Timo Hyvönen, University of Turku
Hannele Kantola, University of Oulu

Corporations regularly disclose figures of environmental expenditures and investments in the various reports they publish. The role of such information however remains unclear (Bebbington et al., 2012) and the purpose of disclosing these figures can thus be questioned. We provide insights on this topic with a qualitative case study focusing on a Nordic energy company. Our dataset includes semi-structured interviews with 26 individuals from all organizational levels, supplemented by a longitudinal set of corporate annual reports and media data. The case study setting allows us to look at the role of financial environmental information in the organization's decision-making processes, including both the construction and (non-)use of this data. Further, we discuss how individuals on different positions and organizational levels conceptualize the role, nature and significance of these figures. Our interpretation draws on the concept of loose coupling (Orton & Weick, 1990), which helps to provide explanations for why gaps between actions and measures emerge and persist within organizations. In terms of findings, we argue that the disclosed financial environmental information was only loosely coupled with various dimensions, including the organization's actual activities, its environmental impacts and organizational decision-making. Furthermore, our findings contrast many prior studies, in which financial environmental information has been considered to have a high value.

WEDNESDAY 11:00-12:30

SEPSD01 Chair : MAREK CIESLAK Room : **Amphi 6**

Accounting In The Transition From A Medieval To A Modern State -- The Case Of Spain (1490-1510)

Discussant : *Charles Richard Baker*

Author : *SALVADOR CARMONA, IE BUSINESS SCHOOL* HI = History

Co-authors : *Miguel Carmona, IE Business School*
Nieves Carrera, IE Business School

This paper examines the role of accounting in the transition from a medieval to a modern society. In this respect, we draw on Bourdieu and Elias' frameworks to focus on the case of the Spanish army during the period of 1490-1510. In particular we investigate the wider contexts of the promulgation of the Military Ordinances of 1494, 1496 and 1503 and their impact on the organization of the Spanish army that fought the wars of Naples (1494-1498; 1500-1504). The ordinances enforced administrative reforms that encompassed substantial accounting and accountability requirements. Drawing on primary sources, our study comprises a three-tier level of analysis. First, our understanding of the social field comprises two institutional actors: the monarchy as representative of the incipient national state, and the army. Second, we address how the administrative reforms affected the interactions between institutional actors. Finally, we examine how accounting and accountability requirements mediated the relationship between key individual actors, such as King Ferdinand and the commander of the Naples mission. The results of our study indicate that administrative reforms implemented accounting and accountability practices, which exerted a lasting influence in the relations between institutional actors and instilling change in medieval understandings of the army and the state at large. In Bourdieu's and Elias terms, accounting shaped the distribution of power within the field. We also showed how accounting was used as mechanism of surveillance and control –allowing the accumulation of coded information used to administer the activities and behavior of individuals.

WEDNESDAY 11:00-12:30

SEPSD02 Chair : Axel Haller Room : **Amphi 5**

Corporate Environmental Risk Exposure And Analyst Behaviour

Discussant : *Juan Manuel Garcia Lara*

Author : *YUE LI, UNIVERSITY OF TORONTO* EA = Empirical Archival

Co-authors : *Gus De Franco, University of Toronto*
Yibin Zhou, University of Texas at Dallas

This study examines financial analysts' use of non-financial, non-corporate disclosure of environmental performance information to assess firms' future earnings and financial prospects. Specifically, we examine whether analysts use the Toxics Release Inventory (TRI) data released annually by the U.S. Environmental Protection Agency (EPA) to assess firms' environmental risk exposure. We hypothesize that corporate environmental risk exposure as proxied by the TRI data represents an important source of uncertainty underlying firms' future operations and analysts impound corporate environmental risk exposure into their stock recommendations and earnings forecasts. Using a large sample of U.S. public companies from 1997 to 2009, we find that firms' environmental risk exposure is associated with lower accuracy and higher dispersion in analyst earnings forecasts. We also find that analysts are more likely to revise their stock recommendation and earnings forecasts of a firm downward if the firm experiences an increase in their environmental risk exposures, and vice versa. As expected, our findings are more prominent for firms operating in high-polluting sectors. Overall, the findings are consistent with analysts using non-financial, non-corporate disclosure of environmental performance information to assess corporate environmental risk exposure and shed light on the mechanism through which corporate environmental risks are impounded into the stock prices.

WEDNESDAY **11:00-12:30**

SEPSD02

Chair : Axel Haller Room : **Amphi 5**

The Normativity And Legitimacy Of Csr Disclosure: Evidence From France

Discussant : *Carlos Larrinaga*

Author : *JEAN-NOEL CHAUVEY, MONTPELLIER I UNIVERSITY*

EA = Empirical Archival

Co-authors : *Sophie Giordano-Spring, ISEM Université Montpellier 1*
Charles Cho, Essec
Den Patten, Illinois State University

In 2001, France became one of the few countries to require corporate social responsibility reporting through its Nouvelles Régulations Économiques #2001-420 (NRE). However, initial compliance with the statute was low, a factor implying the law lacked normativity. In this exploratory study, we attempt to determine whether there is movement toward normativity by examining the change in corporate social responsibility (CSR) disclosure from 2004 in comparison to 2010 for a sample of 81 publicly traded French firms. We measure both the space and the quality of corporate social responsibility disclosures, including in the latter a measure based on informational quality attributes as discussed by the International Accounting Standards Board, the Financial Accounting Standards Board and the Global Reporting Initiative. We find significant increases in the space allocated to CSR disclosure, as well as some evidence of increased quality, although the informational quality of the disclosures remains quite low and fewer firms are including negative performance information in their reports. Finally, we document that differences in disclosure space and quality in 2004 appeared to be associated with legitimacy-based variables and that those relations remain largely unchanged in 2010. As such, it appears that the NRE's goals of increased transparency remain unmet.

MONDAY **16:00-17:30**

SEPS08

Chair : Patty Mcnicholas Room : **P509**

The Tax Avoidance Industry: Accountancy Firms On The Make

Author : *PREM SIKKA, UNIVERSITY OF ESSEX*

IC = Interdisciplinary / Critical

Co-authors : *Hugh Willmott, University of Cardiff*

The focus of the paper is upon the financial sector and, more specifically the involvement of global accountancy firms in devising and selling tax avoidance schemes euphemistically marketed as `tax planning'. Commenting upon some of the 'entrepreneurial' activities of these firms, Perrow (2010) observes that 'they knew what they were doing was fraudulent' (ibid: 314) as he notes that Greenwood and Suddaby's (2006) widely referenced study excludes consideration of how partners in these firms were complicit in embracing the `alternative logics pressed upon them by their large corporate clients" (ibid: 314). An example is so-called 'alternative logics' is the construction and promotion of elaborate tax avoidance schemes by big accounting firms (Sikka and Hampton, 2005) which, we show, has become so deeply normalized within the Big Firms as to cast doubt upon their `alternative' status.

MONDAY **16:00-17:30**

SEPS08

Chair : Patty Mcnicholas Room : **P509**

In Search Of Disclosure Effects Of The Siemens Ag's Corruption Scandal

Author : *RENATA BLANC ESTEVES BENTO DE MELO, UNIVERSITY OF PORTO*

CF = Case / Field Study

Co-authors : *Manuel Branco, University of Porto - Faculty of Economics*
Charles H. Cho, ESSEC Business School
Joanne Sopt, ESSEC Business School

In this study, we examine the changes in disclosure practices at Siemens AG—a large German multinational corporation, on compliance and the fight against corruption over a period of 11 years during which two significant corruption-related events occurred: (1) the issuance of the 10th principle on the fight against corruption, which can constitute an exogenous shock and thus potentially create positive adjustments to a company's reputation; and (2) the occurrence of a major corruption scandal at Siemens in 2006, which had a negative external impact. Through a content analysis of the company's annual reports and sustainability reports from 2000 to 2011 and under the lens of legitimacy theory and media agenda setting theory, our findings suggest that Siemens changed its compliance and corruption disclosure practices to manage its legitimacy in the wake of the 2006 corruption scandal and in subsequent years. The strategies adopted by Siemens may be described as symbolic and substantive (see Dowling and Pfeffer, 1975; Ashforth and Gibbs, 1990; Rodrigue, Magnan and Cho, forthcoming). The implications emanating from this study seem therefore relevant for several key societal stakeholders in that they could at least provide additional arguments for the need of better regulations to ensure the disclosure of relevant, reliable and consistent corporate information about important social issues such as corruption—a serious economic, social, political and moral issue (Argandoña, 2007).

SEPS09 *Chair : M. Rosa Rovira-Val* Room : **P509**

Investors' Judgments Of Negative Incidents In Non-Financial Reporting - An Experimental Study Of Third-Party Versus Self-Disclosure

Author : *DANIEL REIMSBACH, DUESSELDORF UNIVERSITY*

EX = Experimental

Co-authors : *Rüdiger Hahn, University of Kassel*

This study examines how the disclosure of negative sustainability-related incidents impacts investor's stock-price evaluation and their willingness to invest. Participants in a sequential 2 x 2 between-subjects experiment first received a company's financial information before viewing additional sustainability information (by the company and by a non-governmental organization [NGO]; with and without negative disclosure). Results indicate that negative disclosure in a generally balanced sustainability report by companies has no significant effect on the stock price estimate or investment decisions. However, negative disclosure by an independent NGO does have a significant negative effect. The results are especially pronounced when the company itself did not disclose the respective incidents. In the face of these results, disclosing negative incidents in sustainability reporting could lose some of its apparent stigma. Instead of avoiding negative reporting altogether, managers might use it as risk mitigation tool. Furthermore, the results emphasize the power of the often-mentioned NGO-"watchdog" function.

MONDAY **17:45-19:15**

SEPS09 *Chair : M. Rosa Rovira-Val* Room : **P509**

Managing Risk With Socially Responsible Actions In Firms Involved In Controversial Activities And Earnings Management

Author : *ENCARNA GUILLAMON SAORIN, CARLOS III UNIVERSITY, MADRID*

EA = Empirical Archival

Co-authors : *Encarna Guillamon-Saorin, Universidad Carlos III de Madrid*
Andres Guiral, Yonsei University
Belen Blanco, Universidad de Navarra

In this study we analyze the association between corporate social performance and firm's risk in firms involved in controversial activities, and the role of earnings management in this association. Using a US sample for 2004-2008, we find that involvement in controversial issues increases risk of firms despite their engagement in social activities. Additionally, we find that firms involved in controversial activities that manage their earnings upward, increase levels of risk, no matter if they engage in social activities or not.

MONDAY **17:45-19:15**

SEPS09 *Chair : M. Rosa Rovira-Val* Room : **P509**

Value Relevance Of Greenhouse Gas (ghg) Emissions Disclosures On Stock Market Performance

Author : *MARIA BALATBAT, THE UNIVERSITY OF NEW SOUTH WALES*

MB = Market Based

Co-authors : *Li Ming Khoo, University of New South Wales*
Leon Wong, University of New South Wales

This study examines the value relevance of greenhouse gas (GHG) emissions disclosed through the Carbon Disclosure Project (CDP) across 38 countries over the 2006 – 2010 (or CDP report 2007 – 2011). Evidence from both return specification and price specification value relevance approaches suggest that GHG emissions disclosures affect both stock prices and stock returns. Findings show that scope 1 emissions have a significant negative association with stock prices and stock returns. This is consistent with the notion that scope 1 emissions signify the operational inefficiency and thus a potential environmental liability for the emitters in the coming future. On the other hand, scope 2 emissions have a significant negative association with stock prices, but a positive association with stock returns. Nonetheless, an increasing awareness among investors over time results in scope 2 emissions being priced more negatively over time and hence they are less positively associated with stock returns between 2008 and 2011.

SEPS01

Chair : Teresa Eugenio | Room : **P508**

The Dominant Stakeholder's Strategic Management Of The London Congestion Charge Through Power, Legitimacy, And Urgency

Author : *JASON CHEN, UNIVERSITY OF SAN DIEGO*

Co-authors : ,

CF = Case / Field Study

This study drew on Mitchell et al.'s (1997) stakeholder typology to examine Transport for London (TfL)'s strategic management of the London Congestion Charge (LCC). Specifically, this study investigated how and why TfL managed the LCC via stakeholders' attributes of power, legitimacy, and urgency. Extant assessments of the LCC are inconclusive. Additionally, there lacked a theoretically grounded case study to examine factors beyond the common financial and quantitative analyses addressed in articles over the LCC. Relying on Yin's (2009) methodological approach, I analyzed publicly available data to examine why TfL strategically managed the LCC and how TfL achieved its strategic management of the LCC over stakeholders. Results indicated that TfL constantly managed the LCC to ensure its success and viability. TfL primarily used tactics to maintain the legitimacy of the LCC and supplemented these tactics with authoritative power and fears of unproven urgency to influence stakeholders throughout the discreet stages of the LCC. These results have practical implications to policy makers contemplating new policy reforms and potentially help expand both empirical and theoretical understanding to researchers who are interested in the latent factors in policy management and maintenance. Summary and discussions with propositions for future research on policy reforms conclude this study.

TUESDAY 9:00-10:30

SEPS01

Chair : Teresa Eugenio | Room : **P508**

Factors Influencing The General Content Of Social Responsibility Disclosures And Environmental Disclosures On American Universities' Websites

Author : *MANUEL PEDRO RODRIGUEZ BOLIVAR, UNIVERSITY OF GRANADA*

Co-authors : *Raquel Garde Sánchez, University of Granada*
Laura Alcaide Muñoz, University of Granada
Antonio M. López Hernández, University of Granada

EA = Empirical Archival

As has taken place in the private sector, public institutions, including universities, have developed various information disclosure practices in response to stakeholders' demands. This paper analyses the corporate social responsibility (CSR) information disclosed by universities, especially that relating to environmental issues, by reference to a set of variables –the university's size, internationality, affiliation, private/public status, age and position in the Shanghai ranking– which could influence the volume and type of information disclosed. For the purposes of this article, we created two indexes of CSR information disclosure, based on an analysis of the information provided on university websites and sustainability reports. An empirical regression model was then applied to test and categorise the factors analysed. According to the results obtained, the universities examined show little commitment to the dissemination of environmental information; nevertheless, the university's size and affiliation, together with its private status and position in the Shanghai ranking, were found to be the factors most significantly affecting the online disclosure of CSR information.

TUESDAY 9:00-10:30

SEPS01

Chair : Teresa Eugenio | Room : **P508**

Socially Responsible Investing: A Critical Appraisal Of The Scandinavian Mutual Fund Market

Author : *CRISTIANA PARISI, COPENHAGEN BUSINESS SCHOOL*

Co-authors : *Andreas Stang, Nordea*

EA = Empirical Archival

This paper analyzes the Scandinavian market for Socially Responsible Investing (SRI) mutual funds in order to determine the returns from discriminatory investment decision compared to the return from conventional portfolios. The analysis is conducted on 642 Scandinavian equity mutual funds. The methodology adopts the Sharpe ratio to establish the risk return relationship. Moreover, the Capital Asset Pricing Model (CAPM) and the Fama and French Three Factor model are used to test the hypotheses. The results indicate the underperformance of Swedish and Danish SRI funds relative to their conventional counterparts. In the case of Norway no statistical difference in return is found when conducting the three factor regression. The Scandinavian market is considered particularly relevant for the interest of the investors in SRI mutual funds. However, to the authors' knowledge, this is the first study to present a systematic analysis of its performance.

SEPS02 *Chair : Nils Crasselt* Room : **P508**

Institutional Environment And Csr Transparency

Author : *ISABEL MARIA GARCIA-SANCHEZ, UNIVERSITY OF SALAMANCA*

EA = Empirical Archival

Co-authors : *Beatriz Cuadrado-Ballesteros, UNIVERSIDAD DE SALAMANCA*
Jennifer Martinez-Ferrero, UNIVERSIDAD DE SALAMANCA
Jose-Valeriano Frias-Aceituno, UNIVERSIDAD DE GRANADA

The present study, based on institutional theory, aims to determine the effects of the institutional context – i.e. socio-economic, cultural, legal and corporate characteristics – on the significance and comparability of the information contained in sustainability reports. This parameter is analysed in terms of the compliance of the report with Global Reporting Initiative guidelines. Accordingly, we examine a sample of companies from 20 countries in Europe, North America and Japan for the period 2004-2010. The analysis of an unbalanced sample of 1598 international companies, using a Tobit model for panel data, highlights the strong impact made by the cultural, legal and corporate system on the disclosure of comparable information on sustainability issues. This paper makes a significant contribution to the literature in at least two ways. First, by conducting an inter-country analysis, we offer additional evidence on the determinants of relevant CSR disclosure information. While various studies have examined the determinants of these practices using data from a single country, by jointly considering 20 countries, we are able to differentiate among institutional systems, which is impossible when examining one country alone. As a result, the identification of these country-level mechanisms could usefully inform the decisions taken by policymakers with respect to improving social responsibility.

TUESDAY **11:00-12:30**

SEPS02 *Chair : Nils Crasselt* Room : **P508**

Corporate Social Responsibility Reporting In Controversial Business Sectors: A Struggle For Legitimacy

Author : *STERGIOS LEVENTIS, INTERNATIONAL HELLENIC UNIVERSITY*

EA = Empirical Archival

Co-authors : *Vassiliki Grougiou, International Hellenic University*
Emmanouil Dedoulis, Athens University of Economics and Business

A branch of the corporate social responsibility (CSR) literature has illuminated managers' tendency to engage in and disclose CSR practices in order to secure the support of various stakeholders and attract the interest of groups of investors who value corporate commitment to broader social norms highly. Little is known, however, about relevant management practices in the case of controversial business sectors, such as alcohol, firearms, gambling, military, nuclear power and tobacco, which have attracted considerable criticisms about their operations. Against this background, we aim to further current understandings of management practices by shedding light upon managers' initiatives to initiate CSR reports in the particular case of controversial industries. Thus, we employ a sample of 109 listed U.S. companies belonging to controversial sectors for a seven-year period (2003-2009) and we control with another 109 set of similar sized and non-controversial industry sample for the same period. Our findings suggest that controversial firms are more prone to issue standalone CSR reports compared to their matched sample. We suggest that operating within adverse contexts due to the nature and effects of their activities, managers in controversial firms develop various strategies, inter alia standalone CSR reports, to neutralize the perceived negativity of their operations and, thereby, confer legitimacy upon their practices.

TUESDAY **11:00-12:30**

SEPS02 *Chair : Nils Crasselt* Room : **P508**

The Interaction Between Industry-Specific Standards And Corporate Social Reporting. Empirical Evidence From Cooperative Banks In Italy.

Author : *MICHELE ANDREAUS, UNIVERSITY OF TRENTO*

EA = Empirical Archival

Co-authors : *Ericka Costa, University of Trento*
Caterina Pesci, Euricse-European Research Institute on Cooperatives and Social Enterprises
Emanuele Taufer, University of Trento

The aim of the paper is to investigate the interaction between industry-specific standards and the extent and quality of the disclosure of Corporate Social Reporting (CSRep). The paper evaluates in detail the capability of industry-specific guidelines to capture the most significant social and environmental elements in terms of volume and quality of the disclosure. The analysis takes into account differences between various areas of the disclosures. The banking sector in Italy has been chosen as a case for this study because from 2001 (and afterwards in 2006) the Italian Banking Association (ABI) has developed a specific social and environmental standard setter for encouraging and promoting the diffusion of corporate social and environmental reporting practices among banks. The paper is based on a content analysis of 98 cooperative banks' (CBs) CSRep in Italy in 2008/2009 and also develops a regression analysis for the purpose of the study. The findings suggest that the industry-specific standards are in general able to detect information that is mainly widespread by CBs in terms of frequency. However, when analysing the significance of disclosure, both in terms of volume and quality, the regression model demonstrates that the capability of ABI standards to effectively detect the prominence of information reported is fairly low. Differences emerge when considering the different areas of the disclosures.

TUESDAY **14:00-15:30**

SEPS03

Chair : Matias Laine Room : **P508**

Imperialism And Global Capitalism: Implications For Syrian Women Accountants

Author : *RANIA KAMLA, HERIOT-WATT UNIVERSITY EDINBURGH*

Co-authors : ,

IC = Interdisciplinary / Critical

This paper seeks to contribute and enhance the current literature on gender, globalization, imperialism and accounting by bringing new insights into the experiences of women accountants in Syria: an Arab and predominantly Muslim country. By doing so, the paper hopes to contribute to broadening the understanding of women's interrelationship with accounting beyond the Anglo-American context, which is currently dominating the research agenda on gender and accounting. Face-to-face interviews with 22 women accountants were carried out in Syria in 2008. The study revealed that in the context of globalization factors of class, alienation, tradition and economic difficulties are contributing to the subordinated role of women in society in general and in the accounting profession in particular. The implications of the professionalization in the accounting profession in Syria has resulted in socio-economic hierarchies and discriminatory practices where interviewees spoke of discrimination based on hierarchy, sex and on the knowledge held. The paper concludes that the accounting profession's aspirations need to be challenged through critically evaluating and redefining work roles and values to ensure emancipation for women. Furthermore, the aspiration for Arab 'renaissance' can only be reached when obstacles preventing women from enjoying their human rights and contributing fully in society are eliminated.

TUESDAY **14:00-15:30**

SEPS03

Chair : Matias Laine Room : **P508**

'fumifugium: Or The Inconvenience Of The Aer And Smoake Of London Dissipated': An External External Environmental Account In 17th Century London

Author : *IAN THOMSON, UNIVERSITY OF STRATHCLYDE*

Co-authors : *Jill Solomon, Henley Business School*

HI = History

There have been calls (Carnegie and Napier, 2011) to explore the roots of social and environmental accounting, with prior research thus far limited to the 19th and 20th centuries (e.g. Guthrie and Parker, 1989; Solomon and Thomson, 2008). In this paper we analyse an account that recorded and made visible the pollution of the 'aer' in 17th century London as part of a campaign to solve this 'inconvenience'. Fumifugium was produced in 1661 by John Evelyn (1620-1706) a writer, gardener, diarist and founding member of the Royal Society. Evelyn is most celebrated for his journals documenting the plague and the Great Fire of London. We characterise Fumifugium as an historic external environmental account that bears resemblance to and shares characteristics with contemporary external accounting particularly given its problematising intentionality (Solomon and Thomson, 2008). We view accounting as processes and practices that are not restricted to business organisations and calculative techniques but include recording through numbers, pictures or narrative and simply 'counting' (Napier, 2011). As emphasised in a recent plenary address, "…do not assume accounting is just 'calculation' (Hoskin, 2012). Similarly, we would not expect 17th century environmental accounting to take the same form as contemporary practices. Fumifugium is an early example of a stakeholder 'giving an account of' rather than an 'account rendered' by an entity.

TUESDAY **14:00-15:30**

SEPS03

Chair : Matias Laine Room : **P508**

Accounting Numbers And Roma Slaves In The 19th Century

Author : *RAZVAN V. MUSTATA, BABES-BOLYAI UNIVERSITY*

Co-authors : *David Alexander, University of Birmingham, Birmingham, United Kingdom*
Carmen Giorgiana Bonaci, Babes-Bolyai University, Faculty of Economics and Business Administration, Accounting and Audit Department

HI = History

This paper explores the phenomenon of gypsy (= Roma) enslavement in Romanian Principalities for many centuries, and then their emancipation in the middle of the 19th century. We provide a strong historical/sociological backcloth. We then, using the IASB conceptual framework as our starting point, consider the accounting implications of their status, and their valuation for trading in the market and for emancipation, the latter involving in many cases 'payments' to former slave-owners by the state, usually by the issue of governmental 'financial instruments' in the jargon of today. We find overwhelming evidence of an active market with apparently sophisticated pricing structures, and argue that the IASB definition of asset, and the requirements for a level 1 fair value derivation, are frequently met. We describe and analyse already discovered contemporary and later documents, descriptions and evidence, and note that more research, especially relating to primary accounting records, remains to be undertaken.

SEPS04

Chair : Ataur Belal Room : **P508**

Csr Report Assurance In The United States: An Empirical Investigation Of Demand And Stakeholder Benefits

Author : *CHARLES CHO, ESSEC BUSINESS SCHOOL PARIS*

EA = Empirical Archival

Co-authors : *Charles H. Cho, ESSEC Business School*
Giovanna Michelon, University of Padova
Dennis M. Patten, Illinois State University
Robin W. Roberts, University of Central Florida

In contrast to the growth in CSR assurance worldwide, assurance of stand-alone CSR reports in the U.S. remains rare. We investigate, first, factors that appear to lead U.S. companies to obtain assurance and, second, whether assurance on CSR reports in the U.S. leads to stakeholder benefits. We find that industry membership and disclosure extensiveness appear to influence a company's choice to obtain CSR report assurance. Our results also indicate that assurance is not associated with higher market values for CSR report-issuing companies. Firms with CSR report assurance are more likely, however, to be included in the Dow Jones Sustainability Index and to be perceived as more 'green'. We conclude that CSR report assurance in the U.S. may provide stakeholder benefits only in specific settings that focus more directly on the relative assessment of CSR performance and reporting. This may help explain its low rate of adoption in the U.S.

TUESDAY **16:00-17:30**

SEPS04

Chair : Ataur Belal Room : **P508**

The Factors Influencing Sustainability Reporting In A Developing Nation: An Empirical Test Of Theory Of Planned Behaviour

Author : *PRABANGA THORADENIYA, MONASH UNIVERSITY*

SU = Survey

Co-authors : *Janet Lee, Australian National University*
Rebecca Tan, Australian National University
Aldonio Ferreira, Monash University

Drawing upon Ajzen's (1985) Theory of Planned Behaviour (TPB), this study examines the influence of managers' attitude and other psychological factors on corporate sustainability reporting (SR) behaviour from a developing country perspective (Sri Lanka). This study also investigates the suitability of the TPB in an organizational context. A survey was conducted among 948 top and middle level managers of listed and non-listed companies in Sri Lanka. 233 usable responses were used to test the hypotheses using a Partial Least Squares (PLS) model. The findings of this study indicate that psychological variables influence managers' intention to engage in SR and ultimately corporate SR behaviour. Whilst managers have intention to engage in SR, the majority of companies have not taken the next step towards SR. It was found that due to lack of sufficient degree of actual control by managers over the SR process, managers' intention to engage in SR was not translating into SR behaviour. Finally, the results suggest the suitability of the TPB in corporate settings and show that managers' psychological factors are important in determining SR behaviour in companies. This study indicates the need for Sri Lankan companies to devise more effective strategies and to design programs to promote SR by considering the role of psychological variables in the SR process. The strategies and programs could be aimed towards providing managers with a sufficient degree of actual control over the SR process. This could precipitate the creation of enabling organizational cultures which contribute towards the improvement of sustainable development and foster a new reporting culture, exhibiting a greater transparency and accountability amongst companies.

TUESDAY **16:00-17:30**

SEPS04

Chair : Ataur Belal Room : **P508**

Determinants Of The Adoption Of Sustainability Accounting: Results From A Partial Least Square Approach

Author : *EMILIO PASSETTI, SANT'ANNA SCHOOL OF ADVANCED STUDIES*

SU = Survey

Co-authors : *Lino Cinquini, Istituto di Management - Scuola Superiore Sant'Anna*
Andrea Tenucci, Istituto di Management - Scuola Superiore Sant'Anna

Sustainability accounting is a complex and ambiguous form of accounting, which has been subject to many challenges and discussions over the time. In its development, sustainability accounting has been popularized in techniques and literature have examined several and different aspects of the link between accounting and sustainability. However, despite the large amount of literature, there is still limited empirical research that examines the influence of contextual factors on the adoption of sustainability accounting. Relying on this premise, the objective of this research is to explores the influence of a set of contextual factors on the adoption of sustainability accounting. The research is based on a survey questionnaire in sample of Italian manufacturing firms and use partial least squares structural equation to test hypotheses development. The findings confirm five of the eight hypothesis developed. In particular, sustainability accounting is influenced by sustainability strategy and operational practices but not by environmental and social management systems.

SEPS07 *Chair : Minna Suutari* Room : **P509**

Co2 Emissions Variation And Corporate Performance: An Analysis Of Their Relationship

Author : *ISABEL GALLEGO ALVAREZ, UNIVERSITY OF SALAMANCA*

EA = Empirical Archival

Co-authors : *Arjola Mecaj, Faculty of economics University of Salamanca*
Raquel García-Rubio, Faculty of economics University of Salamanca

The purpose of this study is to analyze the impact that CO2 emissions variation (2007-2008) can have on corporate performance in three time periods: 2008, 2009 and 2010, taking two variables as a measure of firm performance, ROE and ROA, and considering a time period affected by a financial crisis, all under the perspective of the resource-based theory. The empirical analysis carried out was performed in two stages: (i) analysis of the data obtained through content analysis and (ii) analysis of the factors that influence corporate performance using a dependency model, a multiple linear regression. Several variables were introduced to represent: emission variation, size of the companies, leverage, public pressure, capital intensity, firm growth rate. Also, dummy variables have been incorporated: activity sector in which the company operates. The results obtained show that variations in the emissions of CO2 do not affect corporate performance according to either ROE or ROA, and therefore the hypotheses posed could not be confirmed. Nonetheless, other variables such as capital intensity, size, firm growth rate, and activity sector have a positive and statistically significant effect on ROE and ROA. The findings of this work can be considered of great interest on the international level because on the one hand they show a reduction in greenhouse gas emissions by firms pertaining to strategic sectors in this sense, and on the other a dependence model is established to test how the variation in emissions affects firm performance under the RBV theory. Furthermore, certain control variables are considered, such as capital intensity, public pressure, and firm growth rate, which until now have been analyzed very little in this context.

TUESDAY **14:00-15:30**

SEPS07 *Chair : Minna Suutari* Room : **P509**

Investigating Disclosure Costs: The Case Of The Carbon Disclosure Project

Author : *FRANK SCHIEMANN, HAMBURG UNIVERSITY*

EA = Empirical Archival

Co-authors : *Christian Ott, Technische Universität Dresden/Faculty of Business and Economics*
Thomas Günther, Technische Universität Dresden/Faculty of Business and Economics

A firm's decisions to prepare and publicly disclose private information are a key issue of disclosure research. The Carbon Disclosure Project (CDP) provides a unique setting which allows distinguishing between two components of disclosure costs: preparation costs and proprietary costs. We apply a sequential logit approach to analyze a panel data-set with 11,060 firm-year observations across 59 countries from 2006 to 2010. Our findings show whether established explanatory variables of disclosure costs actually capture preparation costs or proprietary costs. We find that preparation costs are related to firm and country characteristics, and proprietary costs are associated with firm and industry characteristics. Determinants of disclosure costs differ for inexperienced (implementation costs) and experienced disclosers (recurring costs). The findings are robust when the quantity of disclosure is considered. Additionally, we provide evidence for the impact of responding to CDP on selling, general and administrative expenses.

TUESDAY **14:00-15:30**

SEPS07 *Chair : Minna Suutari* Room : **P509**

Internal Corporate Governance And Greenhouse Gas Disclosure Quality: A Us-Based Empirical Assessment

Author : *TIPHAINE JEROME, GROUPE HEC, GRADUATE BUSINESS SCHOOL*

EA = Empirical Archival

Co-authors : ,

This paper examines the association between internal corporate governance and greenhouse gas (GHG) disclosure quality through a moderated mediation setting. In a first step, I consider internal corporate governance and distinguish between general and environmental-specific mechanisms. I show how sound corporate governance mechanisms lead to the implementation of environmental-specific governance, proxied here by the presence of an environmental committee. In a second step, I document a positive impact of the latter on GHG disclosure quality. However, this effect is moderated and conditional on other corporate governance mechanisms. Together, the empirical results are consistent with the notion that effective internal corporate governance is associated with higher-quality GHG disclosure.

SEPS10 — *Chair : Alan Kilgore* — Room : **P509**

Impression Management And Organizational Audiences: The Fiat Group Case

Author : *GIOVANNA MICHELON, UNIVERSITY OF EXETER*

EA = Empirical Archival

Co-authors : *Saverio Bozzolan, University of Padova*
Charles Cho, Essec Business School

The aim of this paper is to study how management strategically uses disclosure to manage the beliefs of different audiences. In particular, we study the interaction process of the FIAT Group with three organizational audiences (the local and international press and the financial analysts) who represent three key audiences characterized by different levels of salience for the company (Mitchell et al. 1997). We focus on both how the management reacts to the existing optimism of each audience and how the disclosure tone adopted by Fiat influences the ex-post optimism in the local and international press or in the financial analyst community. We investigate the disclosure of Fiat Group over a period of six years (2004 - 2009) during which 72 price sensitive press releases were published. On the basis of 2,013 (272) news published in Italian (international) newspapers and 377 analyst reports, we find evidence of different patterns in the interaction process between FIAT and its audiences. Our result also shows some differences in the way in which Fiat is affected by and affects the sentiment of each audience, thus highlighting that the salience of the audience is an important driver of the adoption of impression management techniques in the ordinary accountability process.

TUESDAY **9:00-10:30**

SEPS10 — *Chair : Alan Kilgore* — Room : **P509**

Board Of Directors And Ethics Codes In Different Corporate Governance Systems

Author : *JOSE-VALERIANO FRIAS-ACEITUNO, UNIVERSITY OF GRANADA*

EA = Empirical Archival

Co-authors : *Isabel Maria García-Sánchez, SALAMANCA UNIVERSITY*
Luis Rodríguez-Domínguez, SLAMANCA UNIVERSITY

Business ethics is one of the most significant demands made by institutional and individual investors, who usually require the participation of the board of directors in the planning and implementation of ethical behaviour in corporations. This is done by drawing up an ethics code and then monitoring its fulfilment. This study has a dual objective: first, to analyse the role played by the composition of the board of directors, and by that we mean its independence and the diversity of its members, on the implementation and scope of an ethics code, and, second, to detect whether the corporate governance system moderates the level of involvement of the board in ethical issues. Previous empirical evidence regarding the new responsibilities of this monitoring body is limited, and furthermore is focused on transversal analyses at country level and time period, which circumscribes the conclusions that may be derived from their findings. In this work, the analysis is undertaken with a sample of 760 listed companies from 12 countries for the years 2003 to 2009, using panel data procedures. The findings obtained show that the largest companies with large-sized and diverse boards are the most ethically active. Nevertheless, the extent of involvement of the independent directors is conditioned by the level of shareholder orientation characteristic of the system of corporate governance in the corporation's country of origin.

TUESDAY **9:00-10:30**

SEPS10 — *Chair : Alan Kilgore* — Room : **P509**

Do European Banks Use Sustainability Reporting To Improve Their Corporate Image?

Author : *CLAUDE FRANCOEUR, HEC MONTREAL*

EA = Empirical Archival

Co-authors : *Amel Ben Rhouma, University Paris-Descartes*

Reporting about the sustainability issues of firms' activities is an important instrument in the dialogue between business and society. Legitimacy theory predicts that, in a context of crisis, companies are expected to exhibit greater concern to improve the corporate image through SR. This study examines the influence of the recent financial crisis on the sustainability reporting (SR) of the largest European banks. We use the Global Reporting Initiative (GRI) guidelines to develop an analytical scenario of SR. Eight categories of SR are analyzed: governance, commitment and dialog, economic performance, environmental performance, social performance, human rights, product responsibility, society and financial sector-specific (FSS) issues insustainability. Results show that European banks have increased their SR in the three years following the financial crisis. But, only the French and Italian banks have increased their FSS reporting, which indicates that country specific context and regulations affect European banks' SR practices. This research makes two important contributions to corporate SR research. First, it extends prior research to the banking industry, which is often excluded from sample companies due to the sector's more stringent regulatory regime. Second, it constructs a grid of analysis of SR sector-specific sustainability issues that are particularly relevant to banking institutions and their stakeholders.

TUESDAY 11:00-12:30

SEPS11 *Chair : Renfred Wong* Room : **P509**

Determinants And Performance Effects Of Social Performance Measurement Systems

Author : IRENE ELEONORA LISI, BOCCONI UNIVERSITY SU = Survey

Co-authors : ,

This study explores the performance measurement systems adopted by companies to internally manage their social responsibility activities, a theme which is becoming an unavoidable thematic for companies given ever escalating public scrutiny and pressures. In particular, the study investigates the determinants and performance effects of such systems. A theoretical model is proposed to explain how three fundamental drivers of corporate social strategies - i.e. expected competitive advantage, stakeholders' concern and top management social commitment - influence the use of social performance measures for internal decision-making and control, and how such use impacts companies' social and economic performance. The model is tested using data collected from a survey of 76 managers. Results demonstrate that, consistently with the study's hypotheses, expected competitive advantage and top management social commitment are influential motivations behind the integration of social concerns within companies' decision-making and control processes. Contrary to what expected, instead, stakeholders' concern is not significantly associated with the extent to which social performance measures are used for decision-making and control. Use of social performance measures, in turn, is found to be positively associated with social performance and, through this, with economic performance.

TUESDAY 11:00-12:30

SEPS11 *Chair : Renfred Wong* Room : **P509**

Locally Identifiable Financial Environmental Items And Gri-Reporting

Author : MINNA SUUTARI, AALTO UNIVERSITY EA = Empirical Archival

Co-authors : ,

The global financial and economic crisis has heightened the need for companies to provide well-informed reporting that goes beyond short-term financial performance and is also locally identifiable. The Global Reporting Initiative (GRI) and the International Integrated Reporting Committee (IIRC) announced a goal for integrated reporting and convergence of financial reporting and environmental, social and governance (ESG) reporting by 2020. The aim of this comparative content analysis study was to explore the existence of environmental financial disclosure information longitudinal years 2010 and 2011. The interest was in the locally identifiable financial environmental information, which the environmental items consisted, and the integration with voluntary sustainability reporting. The overview from according to the GRI-framework reporting chemical and conglomerate enterprises was that the locally or geographically identifiable environmental items or environmental segmental information not were not common in the audited parts of the financial statements and the integration was not yet common although there already were enterprises using references between reporting types. Further research will be needed to detect more thorough analysis concerning locally identifiable segmental environmental information. For more deep orientation the data may consist longitudinal data with more industry branches and the view of the possibilities of more disaggregated environmental information.

WEDNESDAY 9:00-10:30

SEPS05 *Chair : Lorne Cummings* Room : **P508**

Where Is The Accounting? The Role Of Internal Accounting And External Reporting In An Emerging Sustainability Process.

Author : REBECCA MAUGHAN, UNIVERSITY COLLEGE DUBLIN CF = Case / Field Study

Co-authors : Rebecca Maughan, University College Dublin
Brendan O'Dwyer, University of Amsterdan

This paper considers the development and legitimation of internal and external accounting and reporting practices as part of a corporate sustainability process. The paper stems from a longitudinal case study of the introduction of sustainability practices and reporting at Musgrave Group (Musgrave), a large Irish family owned company. Musgrave has been engaged in a sustainability process (encompassing both sustainability practices and accounting), since the late 1990s and publishes independently verified GRI compliant sustainability reports. A system of sustainability related internal accounting and reporting has also evolved over this time. The study of the company has been ongoing since 2007 and has resulted in a considerable body of data from interviews and documentary analysis. The paper provides insight into the role of the internal accounting and information systems as a source of pragmatic legitimacy for the emerging sustainability process and the perceived failure of the external reporting process to consolidate and maintain its initial legitimacy.

SEPS05

Chair : Lorne Cummings Room : **P508**

Behaviours On Sustainability Disclosure. How The Game Is Played By Smes.

Author : *SIMONE DOMENICO SCAGNELLI, UNIVERSITY OF TURIN*

EA = Empirical Archival

Co-authors : *Maurizio Cisi, University of Torino - Deparment of Management*
Laura Corazza, University of Torino - Deparment of Management

Sustainability reporting is approached in different ways by either large, small and medium companies. However, despite the type of approach, the subsequent behaviours are quite dissimilar, some of them are just ceremonial and opportunistic, while some others lead to real enhancements in accountability practices, transparency of the related disclosure in order to achieve better stakeholders' engagement. Scholars agree that small and medium size companies are those who fail to leverage, their efforts in the sustainability field without succeeding in enhancing their non-financial disclosure. Therefore, the aim of this study is to provide more insights about SMEs involved in sustainability practices by focusing on the different behaviours they can achieve in term of CSR disclosure as well as the underlying variables which may have influence on it. The empirical evidence is based on all the Italian companies that in 2011 have been certified by adopting both environmental (ISO14001, EMAS) and a social (SA8000) management systems. The study has been carried out by using qualitative and quantitative analysis. Our findings confirm that SMEs lack in providing sustainability disclosure, however we demonstrate that the quality of the disclosure is influenced by their age, and the potential control within a Group of companies. As such, we developed a classification of their behaviours according to the relevant features that may influence their sustainability disclosure.

SEPS05

Chair : Lorne Cummings Room : **P508**

Management's Perception On The Assurance And Third Party Comment In Sustainability Reporting In Japan: Evidence From Questionnaire Survey

Author : *MOHAMMAD HAIDER, KOBE UNIVERSITY*

SU = Survey

Co-authors : *Katsuhiko Kokubu, Graduate School of Business Administration, Kobe University*

There has been a significant growth in the number of sustainability reports published over the last two decades as such it becomes a common phenomenon among the world's leading companies. Along with the development in reporting, there has also been an increasing trend in the adoption of assurance in such reporting in order to enhance the credibility of the reported information. The objective of this paper is to understand the management's perception on the assurance and third party comment in sustainability reporting in japan. It is based on a questionnaire survey on the Nikkei 500 companies (highly liquid companies registered in Tokyo Stock Exchange). Findings show that although there are agreements among the management about the importance of third party comment, they differ with regard to the importance of assurance in sustainability reporting. The study also identifies the determinants, stakeholders' influence for the adoption of assurance and third party comment and barriers in adopting assurance. While the extant literature concentrates on the European practice, this is the first known study that informs the adoption of assurance and third party comment in sustainability reporting in Japan, which is the leading country in the world to publish such reports.

SEPS06

Chair : Franck Missonier Piera Room : **P508**

Mandatory Recognition Of Externalities, Price Elasticity Of Demand And The Market Value Of Firms

Author : *JOHN MEAD, MASSEY UNIVERSITY*

EA = Empirical Archival

Co-authors : ,

The scene for environmental performance and disclosures is changing rapidly from that of a voluntary state to one where both are being mandated. One such regulatory initiative is that of the European Union Emissions Trading Scheme (EU ETS), under which all firms within certain industries have to comply with similar environmental performance and disclosure requirements. The imposition of such requirements can have both adverse and beneficial effects on firm value. The purpose of this study is to examine how EU ETS membership affects the market value of European firms. Using a sample of 1,985 firm-year observations from Great Britain, France, Germany, Spain and Italy, we find that joining the EU ETS has a positive impact on firm value, and this impact is larger for firms with high price elasticity of demand (PED). These findings suggest that a regulated environmental performance and environmental disclosure setting is likely to reduce uncertainties pertaining to externalities, in particular, for firms which are unable to shift their externality costs to their consumers.

WEDNESDAY 11:00-12:30

SEPS06 *Chair : Franck Missonier Piera* Room : **P508**

Firm Responses To Climate Change: The Carbon Disclosure Project

Author : *PATTY MCNICHOLAS, MONASH UNIVERSITY*

EA = Empirical Archival

Co-authors : *Jacqueline Birt, Monash University*
Shan Zhang, Monash University

Climate change issues have increasingly attracted government, business and professional attention in recent years. More specifically, there is mounting evidence that indicates that human induced carbon emissions are a major cause of climate change. The objective of the Carbon Disclosure Project (CDP) is to ensure that investors are better informed about the risks and opportunities facing the largest quoted companies worldwide due to climate change (CDP 2007). This paper investigates the factors that influence a firm's decision to participate in and disclose corporate carbon emissions information via the Carbon Disclosure Project (CDP). The relationship between the level of carbon or "solicited" disclosure, corporate governance, and total carbon emissions is also examined. The degree of "solicited" disclosure is furthered examined as an additional analysis of the study. We find that firm size, subsequent equity offerings and regulation regime are significant determinants of corporate response to the CDP. However, a firm's decision to reply to the CDP questionnaire is found to not be influenced by leverage. Companies representing the Utilities, and Industrials sectors are more likely to respond to the 'solicited' CDP information request compared to other sectors. Managerial ownership and total carbon emissions are found to be negatively related to the level of carbon disclosure, while the association between proportion of non-executive directors and disclosure is significantly positive. The results are consistent with the prediction of agency theory. Size, Equity Offerings, Utilities Sector, and last year's CDP response are found to be the significant variables in explaining the variability of the degree of "solicited" disclosure.

WEDNESDAY 11:00-12:30

SEPS06 *Chair : Franck Missonier Piera* Room : **P508**

Does Environmental Disclosure Influence Cost Of Capital? An Empirical Investigation Of Japanese Companies

Author : *YUKI TANAKA, HOSEI UNIVERSITY*

EA = Empirical Archival

Co-authors : *Charles H. Cho, ESSEC Business School*
Giovanna Michelon, University of Padova

In this paper, we examine the economic consequences of corporate environmental disclosure commitment and environmental performance efforts in the Japanese context. More specifically, we investigate whether both commitment to voluntary environmental disclosure per se and efforts made to improve environmental performance through disclosure are related to a firm's cost of capital. Based on a sample of non-financial companies listed on the Tokyo Stock Exchange for the period 2003-2009, we report a negative relation between the issuance of a voluntary environmental report and firm cost of capital. Our results also indicate that long-term commitment to environmental disclosure is associated with a lower cost of capital. For a subset sample of firms that provide specific disclosure items, we finally find that both improvement in environmental performance and reported environmental efforts also decrease firm cost of capital. Overall, our results support the argument that, consistent with evidence found in some of the prior literature, capital market participants appear to value the existence and availability of voluntary corporate environmental information as well as firm commitment and efforts both in terms of environmental disclosure and environmental performance.

WEDNESDAY 14:00-15:30

SEPS12 *Chair : John Flower* Room : **P508**

Accounting For Carbon And Framing Disclosure: A Business Model Approach

Author : *COLIN HASLAM, QUEEN MARY, UNIVERSITY OF LONDON*

IC = Interdisciplinary / Critical

Co-authors : *John Malamatenios, Queen Mary University of London*
Tord Andersson, University of Hertfordshire
John Butlin, JB Associates Ltd

This paper contributes to the research in accounting and the debate about the nature of carbon footprint reporting in society. Our aim in this paper is to explore the difficulty in sustainability accounting for carbon footprint at a national, meso and micro level of analysis. Using a middle ground approach this paper utilises numbers and narratives to explore changes in carbon footprint based on UK national carbon emissions data for the period 1990 to 2009, six year (2006-2011) carbon footprint data for the FTSE 100 group of companies and case focussing on the UK mixed retail sector. Our analysis reveals that macro aggregates conceal one off structural adjustments that cannot easily be replicated. We can only obtain carbon emissions data for 62 companies listed in the FTSE 100 for the period 2006 to 2011 and that the carbon footprint for this group of firms is unchanged over the period covered. Our case study on the UK mixed retail carbon footprint is one of 'smoke and mirrors'. Although reported carbon emissions per square foot of retail space are down the overall carbon footprint is up. We employ our review of the accounting literature and results from our analysis to construct an alternative business models approach to help inform carbon footprint disclosure. This business model conceptual framework is grounded in accounting and employed to argue a case for carbon-material stakeholder disclosures. This approach: increases the visibility of carbon intensive stakeholder interactions and avoids some of the arbitrary aspects of defining entity boundaries associated with the scope 1, 2 and 3 carbon footprints disclosures.

WEDNESDAY 14:00-15:30

SEPS12 *Chair : John Flower* Room : **P508**

Collective Identity, Institutional Logic And Environmental Accounting Change

Author : *MARKO JÄRVENPÄÄ, UNIVERSITY OF JYVASKYLA*

CF = Case / Field Study

Co-authors : *Aapo Länsiluoto, Seinäjoki University of Applied Science*

In this qualitative case study we investigate how institutional logic reproduces existing collective identity by reshaping new performance measurement system to incorporate also environmental issues. New environmental measures were reshaped by aligning them with the existing and dominating collective identity in the case organization i.e. cost savings and profitability. Moreover, institutional logic forced to leave environmental measures as the non-strategic and non-bonus criteria measures. Study illustrates how institutional logic is an important mechanism, when existing collective identity is reproduced.

WEDNESDAY 14:00-15:30

SEPS12 *Chair : John Flower* Room : **P508**

Sustainability Reports As Boundary Objects In An Organizational Setting

Author : *CARLOS LARRINAGA, UNIVERSITY OF BURGOS*

CF = Case / Field Study

Co-authors : *Manuel Fernández-Chulián, Universidad Pablo de Olavide*
Jan Bebbington, University of St Andrews

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

MONDAY 16:00-17:30

SERF07 *Chair : Lisa Powell* Room : **P505**

Cronyism And Accounting Opacity: The Case Of Franco's Autocracy

Author : *SUSANA GAGO-RODRIGUEZ, CARLOS III UNIVERSITY, MADRID*

HI = History

Co-authors : *Susana Gago-Rodríguez, Universidad Carlos III de Madrid*
Manuel Nuñez-Nickel, Universidad Carlos III de Madrid

When governments need to privilege its supporters to maintain their political power they cutback economic information since this disclosure might help identify their level of cronyism and, what is worse, their cronies. For this reason, despite the proclaimed "official line" of transparency, governments not only withhold basic economic information, but also they impede, in the measure of its possibilities, that other institutions can voluntary disclose whichever information that would permit to obtain the same conclusions. Resting on laws, government documents and publications, we support this general idea by analyzing a special case: the Spanish newspaper industry during the autocracy of General Francisco Franco (i.e., from 1939 to 1975). This documentation provides us with evidence that, while cronyism existed in this sector, this political regimen makes all possible to hinder the disclosure of newspaper circulation because this information could easily permit to identify the favors that the sector, in general and certain newspapers in particular were receiving. Disclosure of this information was only authorized after 1966, when this kind of privileges was suppressed.

SERF07

Chair : Lisa Powell

Room : **P505**

Venturing To Care: New Metrics For Social Impact

Author : *JULIA MORLEY, THE LONDON SCHOOL OF ECONOMICS AND POLITICAL SCIENCE*

IC = Interdisciplinary / Critical

Co-authors : ,

Social impact metrics are increasingly gaining the status of best practice in UK third sector organisations. Most practitioners explain this development in terms of the functional benefits it confers. However, from a political economy or genealogical perspective, such norms might be described as the result of an interplay between different interest groups (Cooper and Sherer, 1984; Perry and N olke, 2006) or as reflective of some underlying "institutional logic" (Young, 1994) or "calculative idealism" (Power, 2010). Moreover, viewed as a tool for programmatic change', such performance measures reflect the influence on practice of a neoliberal programme (Miller and O'Leary, 1987; Rose and Miller, 1992). Based on evidence from third sector practitioner publications and interviews with key practitioners involved with social impact measurement, I suggest that these new measures can be explained, in part, by contextual and institutional factors. These include a political shift in the UK towards a neoliberal ideology, the increasing influence of a close-knit network of investment experts and the consequences of the financial crisis.

SERF07

Chair : Lisa Powell

Room : **P505**

The Development Of The Accounting System In Developing Countries : The Case Of Madagascar

Author : *JOELLE RANDRIAMIARANA, CLERMONT-FERRAND ESC*

HI = History

Co-authors : ,

As in many francophone countries, the organization of the Malagasy Accounting System has been under the influence of the French Plan Comptable General. The liberalization of its economy in the 90s and a strong economic expansion in the early 2000 have contributed to the internationalization of companies' activities. To support the private sector, the Government, encouraged by the World Bank, has accompanied the implementation of the IFRS: indeed the new Plan Comptable 2005 set up in 2005 is a mix of the French Accounting and the International Standards. It seems that the influence of the African region was very week in the development of the Malagasy accounting system, despite its affiliations to several trade associations in Africa. Even if the development of the accounting systems in both developing and developed countries has been completely different due to the history and the economic context, these last years many developing countries have shown their willingness to implement the international standards IFRS. The case of Madagascar shows us that these countries haven't fulfilled yet the requirements to develop their accounting system and to be visible in the international scene.

SERF07

Chair : Lisa Powell

Room : **P505**

External Reporting Of Intellectual Capital In An Alternative Banking System: A Longitudinal Case Study Of Islami Bank Bangladesh (1983-2010)

Author : *ATAUR BELAL, ASTON UNIVERSITY / ASTON BUSINESS SCHOOL*

CF = Case / Field Study

Co-authors : *Mohobbot Ali, University of Canberra*

In the context of significant erosion of trust in the conventional banking system caught in the last financial crisis Islamic banking and financing industry has emerged as an alternative form of banking and finance with strong growth potential in recent years. It can be argued that unique knowledge base in alternative banking is one of the competitive advantage of this type of institutions. Therefore, these banks are supposed to have significant intellectual capital. But how and why intellectual capital related information is disclosed in their corporate statements is not known to date. This is the first study which provides empirical evidence in this regard. For this purpose we have followed a longitudinal single case study design to understand the patterns and trends of Intellectual Capital Disclosures (ICD) over time in Islami Bank Bangladesh Limited (IBBL). We have content analyzed the ICD made within the annual reports of IBBL from its inception (1983) to the current available year (2010). While most of the previous studies found external capital as the most popular category of ICD it has been found in this study that internal capital is the most dominant category of ICD in IBBL. We argue that this is due to the unique knowledge base in IBBL which is drawn from the principles of Islamic laws (Sharia).

SERF08

Chair : Ross Taplin Room : **P505**

Social And Environmental Reporting And Its Decision Usefulness

Author : *RENFRED WONG, OXFORD BROOKES UNIVERSITY* SU = Survey

Co-authors : *Renfred Wong, Oxford Brookes University*
Andrew Millington, University of Bath

The ultimate aim of social and environmental reporting (SER) is to supply useful information that helps users in decision making. However, many studies in SER have a focus on why companies would engage in such reporting but not how useful such reporting is perceived to be by stakeholders. This study, through surveying the perceptions of key stakeholder, undertakes to identify the information attributes that users associate with decision useful SER. This is one of the first studies that examines the views of several key stakeholder groups on the different sources of SER about companies. Findings suggest that stakeholder perceptions of information value can be explained by their perceptions of most of the information attributes.

SERF08

Chair : Ross Taplin Room : **P505**

The Relevance Or Irrelevance Of Environmental Contingencies: A Preliminary Study In Brazilian Companies

Author : *JOSE ALONSO BORBA, FEDERAL UNIVERSITY OF SANTA CATARINA* SU = Survey

Co-authors : *Ernesto Fernando Rodrigues Vicente, Federal University of Santa Catarina*
Carolina Aguiar Da Rosa, Federal University of Santa Catarina
Denize Demarche Minatti Ferreira, Federal University of Santa Catarina
Eder José Guzzo, Federal University of Santa Catarina

Companies are facing new challenges with regard to compliance with ethical, labor and environmental standards. To get reputation, social and environmental aspects are essential to convey transparency and reliability in actions. News on Brazilian media has revealed that some companies were fined for environmental damage, with significant values. This study attempts to identify the significance of contingent liabilities and environmental provisions evidenced in companies that trade their shares on the Brazilian Stock Exchange (BM&FBOVESPA). The relevance of this proposal is based on the social and environmental literature that shows the key importance of high impact and low impact industrial sectors on the nature and extent of environmental disclosure as the peculiarity of Brazilian market. What is surprising is that while some companies that did not show monetarily its provisions and contingencies likely possible that mandatory disclosure, other show remote qualitative contingencies, this considered voluntary disclosure, since there is no requirement for such disclosure probability of occurrence. Regarding to the total significance of environmental contingencies of all companies analyzed, even if it cannot be stated, the degree of polluting activities is a factor that may explain the variability of significance of environmental contingencies.

SERF08

Chair : Ross Taplin Room : **P505**

Assessment Of Corporate Reporting Quality: A Review Of The Literature

Author : *MARK WHITTINGTON, UNIVERSITY OF ABERDEEN* SU = Survey

Co-authors : *Akrum Ekara, Damanhour University, Egypt*

Many agree that the corporate reporting model needs to be expanded in order to respond to the changing information needs of users of corporate reporting and provide the information required for improving corporate transparency and accountability. Regulators and standard setters view narrative reporting as a key to achieving the desired step-change in the quality of corporate reporting [Beattie et al., 2004b]. Past accounting research already contains an extensive range of reporting and quality determinants studies. This is the first study to provide a comprehensive and critical review of different measures/proxies used in the accounting literature to measure the quality of corporate financial and non-financial reporting. The objective is threefold. First, to explore the complex concept of quality and the problematic nature of assessing it. Second, to introduce a categorising (descendant) clustering method that splits the previous measures into sub-groups corresponding to disclosure patterns and measures. Third, to help researchers and professionals to identify and choose appropriate measures or, having learnt the lessons of the past, to build metrics that better assess reporting quality. It also provides in depth analysis and discussion of current measurement issues related to corporate reporting and identifies gaps in the accounting literature which future research may aspire to fill.

MONDAY	17:45-19:15

SERF08 — *Chair : Ross Taplin* — Room : **P505**

Investor Attitudes, Investment Screening Tool Usage, And Socially Responsible Investment Behavior

Author : *WILLIAM DILLA, IOWA STATE UNIVERSITY*

SU = Survey

Co-authors : *Diane Janvrin, Iowa State University*
Jon Perkins, Iowa State University
Robyn Raschke, University of Nevada--Las Vegas

Given the diversity of environmental attitudes among nonprofessional investors, we extend prior research by examining how these attitudes affect investors' use of socially responsible investment (SRI) screening tools and their propensity to hold SRIs. We find that four out of five components of the New Ecological Paradigm (NEP) scale, a measure of basic environmental attitudes, are associated with specific attitudes towards environmentally responsible investment. These specific attitudes in turn are positively associated with use of SRI screening tools. In turn, use of these tools is positively associated with the percentage of investors' portfolio held in SRIs. There is also a significant direct relationship between specific environmentally responsible investment attitudes and SRI holdings. Our results suggest that there is a complex, multi-dimensional relationship between investor attitudes, their use of SRI screening tools, and investment behavior. We make suggestions for future research which more fully examines the factors which mediate the association between investors' environmental attitudes and their investment behavior.

TUESDAY	11:00-12:30

SERF01 — *Chair : Natalia Isachemkova* — Room : **P504**

The National Accounting Matrix With Environmental Accounts For Catalonia, 2001

Author : *LAIA PIE, ROVIRA I VIRGILI UNIVERSITY*

AM = Analytical / Modelling

Co-authors : *Maria Llop Llop, Universitat Rovira i Virgili*

The objective of this paper is to construct a social and environmental accounting matrix for Catalonia for the year 2001 (referred to below as NAMEA01). A NAMEA (National Accounting Matrix using Environmental Accounts) is simply a double-entry table in which the rows contain the origins of the economic resources and the columns show the uses that economic agents give to the resources concerned. In a NAMEA, this information is linked to the environmental consequences of economic activity such as pollution and the use of natural resources. A NAMEA, therefore, enables to visualize the network of direct interconnections found in the economy and in society, i.e. between branches of activity and institutional sectors, and between the former and the environment. When constructing this matrix, we define the economic structure of Catalonia in terms of economic, social and environmental accounting aspects.

TUESDAY	11:00-12:30

SERF01 — *Chair : Natalia Isachemkova* — Room : **P504**

The Social Variable: A Proposal Of Accounting Measurement

Author : *ANGELICA PEÑA, UNIVERSITY OF SANTIAGO DE CHILE*

AM = Analytical / Modelling

Co-authors : *Isabel Torres, Universidad de Santiago de Chile*
Hans Silva, Universidad de Santiago de Chile
Carla Silva, Universidad de Santiago de Chile

Until this moment it has not been possible to develop an accounting system which considers social and environmental variables. From this result society as a whole will be able to social and environmental impact of firms. This research describes a proposal of accounting Sustainability model focused on social variable. We will validate this model through quantitative research methodology. These variables involve factors and indicators which allow us to observe the Chilean mining sector's social variable. The proposed model is a social variable's measuring tool. This model is a practical contribution supported by those scholars who claim that the importance of measuring social variable. This has been a theoretical problem which will be solved by this model. At the same time it involves a set of standards for sustainability reports. This model based on Chilean copper mining sector, can be adapted to whatever industry. We propose a set of generic variable which can be adapted considering particular characteristics in other industries. This model allows us to structure social variable information necessary to collect and expose to stakeholders and society as a whole.

TUESDAY **11:00-12:30**

SERF01

Chair : Natalia Isachemkova Room : **P504**

"(how) Should Companies Provide Information Regarding Their Sustainability Activities?" – An Accounting-Based Approach

Author : *SIMON GIETL, CATHOLIC UNIVERSITY OF EICHSTÄTT-INGOLSTADT* AM = Analytical / Modelling

Co-authors : *Max Goettsche, University of Eichstaett-Ingolstadt*
Andre Habisch, University of Eichstaett-Ingolstadt
Christopher Weiss, University of Eichstaett-Ingolstadt

In our paper we use an accounting-based approach to assess whether companies which report under the regulations of the IFRS (International Financial Reporting Standards) Foundation need to provide a CSER (Corporate Social and Environmental Responsibility) report. In our view, such a CSER report is a necessity due to decision usefulness reasons, as numerous researchers have found evidence that CSER measures and CSER reports themselves have a statistically significant impact on companies' values. Furthermore, we examine whether the sustainability framework of the Global Reporting Initiative (GRI), the world's most widely adopted framework, meets the expectations on the IFRS reporting guidelines. Therefore, we compare the reporting principles of the IFRS framework to those of the GRI reporting guidelines. Although not all principles match exactly, we do find an overall correspondence. As a result, we conclude that there is a need for CSER reporting for IFRS adopters, ideally in alignment with the GRI.

TUESDAY **11:00-12:30**

SERF01

Chair : Natalia Isachemkova Room : **P504**

The Impact Of Environmental Investments In The Cost Of Debt Of Brazilian Companies Listed On Electricity Sector Of Corporate Sustainability Index (ise)

Author : *RODRIGO SILVA DE SOUZA, ROEHAMPTON UNIVERSITY* AM = Analytical / Modelling

Co-authors : *Sonia Maria Da Silva Gomes, Federal University of Bahia - UFBA*
Neylane Dos Santos Oliveira, Federal University of Bahia - UFBA
José Maria Dias Filho, Federal University of Bahia - UFBA
Mirian Gomes Conceição, Federal University of Bahia - UFBA
Gilenio Borges Fernandes, Federal University of Bahia - UFBA
Rodrigo Silva de Souza, University of Roehampton

This study aimed to determine whether environmental investments explain the cost of debt, specifically the cost of bank financing of Brazilian companies in the electricity sector, listed on the ISE between 2010 and 2011. For this, a document analysis was conducted in the balance social, balance sheets and income statements of each of the companies in the sample in order to collect information about the investment environment and the data necessary to calculate the cost of bank financing. We used the regression associated with randomness test and generalized estimation equation to handle the data. The results indicate that environmental investments, the sample over this period, do not explain the costs of bank financing and there is no relation between them. Thus, it is suggested that future researches could work with other sectors, broaden the sample and the time period to be analyzed in an attempt to find significant results. It is also suggested the inclusion of other independent variables in the model, such as: degree of leverage, firm size, among others.

TUESDAY **14:00-15:30**

SERF02

Chair : Michele Andreaus Room : **P504**

An Examination Of The Management Control Systems Of A Proactive Environmental Strategy

Author : *ELISABETH ALBERTINI, PARIS I SORBONNE UNIVERSITY / IAE GRADUATE MANAGEMENT SCHOOL* CF = Case / Field Study

Co-authors : ,

Proactive environmental strategies rely on the capabilities of a company to reduce the pollution generated by its manufacturing process and environmental innovations to have less pollutant activities or to propose 'greener' products to its customers. Through pollution control and prevention, these companies can reduce their ecological footprint and increase their energy efficiency. These proactive environmental companies have implemented Environmental Management Systems to control, monitor and improve their corporate environmental performance. Such management tools, measuring, reporting and auditing data through more and more precise dashboards, can be considered as Management Control System as they are formalized procedures and systems that use information to maintain or alter patterns in organizational activity. Therefore, this research analyses the Management Control Systems used to monitor or manage the proactive environmental strategy through a single case study. The results of this study show that Pollution Control and Pollution Prevention is mainly monitored through Diagnostic Control Systems and, to a lesser extent, by Interactive Control Systems; while Product Stewardship is managed through mainly Interactive Control Systems and, to a lesser extent, by Diagnostic Control Systems. Furthermore, this study shows that organizational capabilities and managerial cognition can be enhanced through the Management Control Systems used by a proactive environmental company.

TUESDAY **14:00-15:30**

SERF02 *Chair : Michele Andreaus* Room : **P504**

Implementing Sustainability Strategies Through Accounting Controls: An Exploration Of Practices In Seven Multinational Corporations

Author : *NATHALIE CRUTZEN, UNIVERSITY OF LIEGE - HEC*

CF = Case / Field Study

Co-authors : *Stefan Schaltegger, Centre for Sustainability Management (CSM) - Universität Lüneburg (Germany)*

The accounting and management control literature demonstrates the key role of management control to support strategy implementation (Anthony, 1965; Simons, 1990; Langfield-Smith, 1997; Chenhall, 2003; Malmi and Brown, 2008; Ferreira and Otley, 2009). However, despite several calls in the social and environmental accounting research (Parker, 2000; Chung and Parker, 2008), to date, very few studies have explored how management controls support the implementation of a sustainability strategy in practice (Norris and O'Dwyer, 2004; Epstein and Wisner, 2005; Durden, 2008; Morsing and Oswald, 2009; Perego and Hartmann, 2009; Riccaboni and Leone, 2010). With reference to Malmi and Brown model (2008), this paper explores if and to which extent seven multinational corporations have developed accounting controls to implement their sustainability strategy. Our explorative research shows that, although skepticism has been underlined in the literature (Norris and O'Dwyer, 2004; Gond et al., 2012), multinational corporations have developed a selection of accounting controls to support the implementation of their sustainability strategy. However, some of these controls are "primary" mechanisms ; most firms have not developed a complete package of controls and these controls are generally kept separate from the "package" of the mainstream management control systems. This paper fills in a gap identified in the literature and proposes interesting insights for practitioners.

TUESDAY **14:00-15:30**

SERF02 *Chair : Michele Andreaus* Room : **P504**

The Impact Of Media Pressure On The Sustainability Reporting And Sustainability Strategies Of A Leading Portuguese Cement Company

Author : *TERESA EUGENIO, ESTG - LEIRIA SCHOOL OF TECHNOLOGY AND MANAGEMENT*

CF = Case / Field Study

Co-authors : *Isabel Lourenço, ISCTE - Instituto Universitário de Lisboa*
Ana Morais, ISEG - Isntituto Superior de Economia e Gestão
Manuel Branco, FEP - Faculdade de Economia do Porto - Universidade do Porto

This study examine the sustainability reporting practices and sustainability strategies of a leading Portuguese cement company. Based on a content analysis of media articles, sustainability reports and semi-structured interviews, we identify the strategies the company used to defend itself and downplay sustainability performance as well as the company's response to media pressure. We rely on legitimacy theory. We conclude that the company faces media pressure with respect to two major controversies: co-incineration and the Outão plant location. The aggregate findings of the analysis support the legitimacy argument. This study adds to the scarce research available on sustainability in Portuguese companies.

TUESDAY **14:00-15:30**

SERF02 *Chair : Michele Andreaus* Room : **P504**

Organizational Discourse And Managers' Discourses Around Sustainability: Performativity And Contradiction In A Confrontational Setting

Author : *CARMEN CORREA, UNIVERSITY PABLO DE OLAVIDE, SEVILLE*

CF = Case / Field Study

Co-authors : *Esther Albelda, Universidad Pablo de Olavide*

The research raises the issue of "understanding sustainability". Focusing on the analysis of contradiction, reflexivity and inconsistency at an interactional level (Whittle et al, 2008), the paper analyses managers' discourses to illuminate the way in which they enact, reproduce and make sense of the formal organizational discourse of sustainability -revealed in the corporate disclosures and instilled by sustainability manager- within their own realm of action or professional jurisdiction. Despite the existence of a strategic approach to sustainability, and the performativity of this strategy to enhance the dissemination of the formal organizational discourse into the different managerial jurisdictions, the case also unveils contradiction and inconsistencies between the formal sustainability organizational discourse and managers' individual understandings of sustainability.

TUESDAY **14:00-15:30**

SERF02

Chair : Michele Andreaus Room : **P504**

Do The Best European Socially Responsible Companies Perform Better Financially?

Author : *M.ROSA ROVIRA-VAL, AUTONOMOUS UNIVERSITY OF BARCELONA*

EA = Empirical Archival

Co-authors : *Carmen-Pilar Martí-Ballester, Universitat Autònoma de Barcelona*
Lisa G.J. Drescher, Institute of Environmental Science and Technology-Universitat Autònoma de Barcelona

The aim of this study is to analyze the effect exerted by corporate social strategies on (short-term and long-term) corporate financial performance (CFP). To this end, we use data on firms listed in the Stoxx Europe 600 index and Stoxx Europe Sustainability index from 2007 to 2010. On the sample data, we implement random and fixed effects panel data methodology corrected by heteroskedasticity, serial correlation and/or cross-sectional dependence. The results obtained show that the implementation of CSR strategy, the level of economic development of the country and firm size determine CFP. In addition, the investment in research and development influences the return on assets while the company's financial slack affects the Tobin's Q. Thus, companies with more socially responsible activities incur higher CFP. Keywords: Corporate SocialResponsibility; Corporate Social Performance; Corporate Financial Performance; Panel data; European firms

TUESDAY **16:00-17:30**

SERF03

Chair : Thomas Michael Fischer Room : **P504**

Earnings Management And Corporate Social Responsibility: International Analysis Using Simultaneous Equations

Author : *JENNIFER MARTINEZ FERRERO, UNIVERSITY OF SALAMANCA*

EA = Empirical Archival

Co-authors : *Isabel María García-Sánchez, UNIVERSITY OF SALAMANCA*
Isabel Gallego-Álvarez, UNIVERSITY OF SALAMANCA

In view of numerous reports of accounting fraud, together with the current economic and financial situation and declining investor confidence, the aim of this paper is to analyse the connection and possible bidirectional relationship between Corporate Social Responsibility (CSR) and Earnings Management (EM), and also to identify the factors moderating this relationship. The hypotheses proposed are tested for an unbalanced sample of 1960 international non-financial listed companies from 26 countries for the period 2002-2010. The use of simultaneous equations for panel data, via the GMM estimator proposed by Arellano and Bond (1991), highlights the existence of a bidirectional inverse relationship between the two variables. This relationship is especially important in Anglo-Saxon, Germanic and Asian systems, and also in countries where there is significant institutional pressure regarding sustainability. The results obtained are robust for different measures of CSR and EM.

TUESDAY **16:00-17:30**

SERF03

Chair : Thomas Michael Fischer Room : **P504**

Determinants Of Corporate Social Responsibility Reporting: The Brazilian Case

Author : *LUIS RODRIGUEZ-DOMINGUEZ, UNIVERSITY OF SALAMANCA*

EA = Empirical Archival

Co-authors : *Isabel-Maria Garcia-Sanchez, University of Salamanca (Spain)*
Henrique Formigoni, Universidade Presbiteriana Mackenzie (Brazil)
Maria Thereza Pompa Antunes, Universidade Presbiteriana Mackenzie (Brazil)

The Theory of Political Costs affirms that the information which a company provides is used to draft the regulations affecting them; as a consequence the executives of that company will attempt to choose the disclosure policies which most contribute to eliminating political interference and to producing a decrease in costs such as taxes, fees and regulated charges, as well as others. This paper is an attempt to determine whether the reduction in costs is one of the goals pursued by companies when divulging information on Corporate Social Responsibility. This information, established as a dependent variable, has been subjected to multivariate analysis, using a dependence model based on the estimation of a linear regression by ordinary least squares. The independent variable was the measure of industrial concentration because the greater the monopolistic power of a firm, the greater the public scrutiny it is subjected to. Thus, in order to avoid or reduce political costs, companies would reveal more information with a view to showing their behaviour to the State and to society at large. Confirming the cases defended by the Theory of Political Costs, our findings indicate that companies with clearer monopolistic positions reveal a greater volume of unregulated information on Corporate Social Responsibility.

SERF03

Chair : Thomas Michael Fischer Room : **P504**

Designing Environmental Disclosure Quality Measures: Does It Make A Difference?

Author : *AKRUM EKARA HELFAYA, KEELE UNIVERSITY* EA = Empirical Archival

Co-authors : *Clare Roberts, University of Aberdeen Business School*
Mark Whittington, University of Aberdeen Business School

Assessing the quality of information disclosed by companies is a complex task. Accounting studies usually rely on analysing the content of corporate reports using measures to obtain a proxy for the information reported by companies. But there is no consensus about the best design for these measures. The objective of the current paper is to investigate if there are significant differences in the results generated from seven alternative measures for assessing the quality of FTSE100 environmental reporting. We use three uni-dimensional measures including two "Quantity measures" and one "Scope measure" that measure the volume and width/coverage of information respectively. Three compound measures are adopted from the literature and the final measure is a multi-dimensional quality model, based on the results of a questionnaire ascertaining the perceptions of both preparers and users of annual reports (AR) and/corporate responsibility reports (CRR). While the results of the empirical analysis indicate that the measures are correlated, this does not imply that the measures are interchangeable. Indeed, the choice of method can result in very different ranking of companies. Hence, the evidence presented indicates that the choice of measure matters.

TUESDAY **16:00-17:30**

SERF03

Chair : Thomas Michael Fischer Room : **P504**

Board Diversity, Independence And Carbon Transparency

Author : *QINGLIANG TANG, UNIVERSITY OF WESTERN SYDNEY* EA = Empirical Archival

Co-authors : *Lin Liao, The University of New South Wales*
Le Luo, University of Western Sydney

The study examines the impact of corporate board diversity and independence on one of the major climate change strategic decisions, carbon disclosure in a UK setting. We find a significant positive link between board diversity (measured as the percentage of female directors) and the propensity to disclose green information. In addition, our results indicate the independent directors play an important role in an environmental committee though these directors have less influence at board on Greenhouse Gas (GHG) disclosure. Our findings are generally consistent with stakeholder theory when stakeholders have divergent interests. Our evidence suggests that a diversified board and independent environmental committee is more likely to be able to balance the financial and non-financial goals with limited resource and moderate conflicting expectations and compromise opposite demands from various societal stakeholders who often do not have convergent interest. So the existence of independent directors with diversified background may mitigate the influence of financial stakeholders on decision. These insights have not been documented in prior literature, and thus should enhance our understanding of the role of corporate governance on climate change strategy.

TUESDAY **16:00-17:30**

SERF03

Chair : Thomas Michael Fischer Room : **P504**

The Impact Of National Culture On Voluntary Carbon Disclosure: Evidence From Carbon Disclosure Project (cdp) 2011

Author : *LE LUO, UNIVERSITY OF WESTERN SYDNEY* EA = Empirical Archival

Co-authors : *Qingliang Tang, University of Western Sydney*

The paper investigates the impact of the national culture on firms' voluntary carbon disclosure choice. Voluntary carbon disclosure is measured in terms of the Carbon Disclosure Project (CDP) response status, namely, whether the company voluntarily participated in the CDP and disclosed relevant carbon information publicly through answering the questionnaire. The scores for national culture values are from Hofstede et al.(2010). Based on 3317 companies from 45 countries in 2011, the results indicate that firms from larger power distance and masculinity countries are associated with higher propensity to disclose carbon information. And individualistic managers or managers with higher uncertainty avoidance tendency and long-term orientation are more likely to voluntarily communicate with their carbon performance or other carbon related information with outsides. Moreover, the impact of national culture on voluntary carbon disclosure varies with the level of the economic development, the nature of legal system and the presence of a national operating Emission Trading Scheme (ETS).

SERF09

Chair : Marek Cieslak Room : **P505**

Motivations For Issuing Standalone Csr Reports: A Survey Of Canadian Firms

Author : *GIACOMO MANETTI, UNIVERSITY OF FLORENCE*

SU = Survey

Co-authors : *Linda Thorne, Schulich School of Business, York University, 4700 Keele St. North York, Ontario M3J 1P3*
Lois S. Mahoney, Eastern Michigan University, 406 Owen 301 W. Michigan Avenue Ypsilanti, MI 48197

There is a debate in the literature regarding the underlying motivations for companies who voluntarily issuing standalone CSR reports (Clarkson et al., 2011). To gain insight into this debate we report the results of a survey which asks 221 Canadian firms their motivations, their costs and whether they follow independent GRI guidelines in choosing to issue (or not issue) their CSR report. Of the 57 companies that responded to our survey, 32 issued standalone reports and 25 choose not to. The most frequently cited reason for issuing standalone CSR reports was to signal their interest in social responsibility to stakeholders followed closely by CEO/Board commitment to CSR. Other frequent responses were that companies wished to communicate to stakeholders a policy of corporate transparency and to put all CSR information in one place. Approximately 71% of companies that issue CSR reports follow GRI reporting guidelines and 25.8% of these CSR Reports are independently verified. Over 50% of companies reported that it costs over $75,000 to produce the standalone CSR report, takes over four months to prepare on average, and requires five or more people to produce it. The primary reason that companies chose not to issue CSR reports was lack of stakeholder pressure and regulatory requirement to do so. Our research provides support for the need for multiple perspectives to provide insight into standalone CSR reporting.

TUESDAY **9:00-10:29**

SERF09

Chair : Marek Cieslak Room : **P505**

Should Companies Disclose Financial Information To Employees? A Case Study Of Three Works Councils In The French Steel Industry From 1945 To 1982

Author : *MARC NIKITIN, UNIVERSITY OF ORLÉANS*

HI = History

Co-authors : *Mathieu Floquet, University of Lorraine*

The consensus in HRM and industrial relations is that making information available to employees is good practice and contributes to the involvement of personnel. Yet analysis of three major French steel companies between 1945 and 1982 would appear to suggest otherwise. The senior management in these companies regularly had to draw the line between a total absence of information and too much information, although there is no evidence of a shift towards greater divulgence, contrary to what a reading of the literature would suggest. It would appear first of all that the decision to provide information is opportunistic rather than the result of a systematic policy, and secondly that it is only linked to the short-term gain which management hope to achieve. In most cases, management see disclosure as a means of exerting pressure and increasing their negotiating power in discussions with employees or public authorities.

TUESDAY **9:00-10:30**

SERF09

Chair : Marek Cieslak Room : **P505**

Financial Reporting And Distributive Justice

Author : *JOHN FLOWER,*

IC = Interdisciplinary / Critical

Co-authors : *,*

This paper analyses the crisis that currently confronts mankind and argues that the principal cause is that the economic system places too much emphasis on production and neglects distribution. It argues that financial reporting, as currently practised, is partially responsible for this crisis because it is based on the wrong paradigm. It identifies the present paradigm as the capitalistic theory of the firm, which is criticised for emphasising production (which is one of the causes of the present crisis) and neglecting the justice of distributions. The paper argues that financial reporting should be based on the stakeholder theory of the firm and that its principal objective should be the promotion of distributive justice. The implications of adopting this revised objective are briefly analysed.

TUESDAY 9:00-10:30

SERF09 — *Chair : Marek Cieslak* — Room : **P505**

Corporate Social Responsibility And Internal Auditing

Author : DANIELA GERRITSEN, DUISBURG & ESSEN UNIVERSITY, DUISBURG CAMPUS

Co-authors : Till Kamp, Universität Duisburg Essen
Marc Eulerich, Universität Duisburg Essen

IC = Interdisciplinary / Critical

In 1981 the researcher Elmer B. Staats wrote an article about the challenges auditing will have to face in the 21st century. While recognizing that the range of activities are getting broader he also suspects that by the year 2000 internal auditors will perform tasks that can be categorized under the term social accountability (Staats, 1981:6). Nowadays, corporate social responsibility as well as sustainability are major topics in wide parts of the economy and science. This development suggests that corporate social responsibility should also be relevant for internal auditing in some way. Surprisingly, the CBOK study for internal auditing of 2010 does not comply these expectations. Only few internal auditors perform social or sustainability audits. This paper aims to examine how the link between corporate social responsibility and internal auditing has developed in the past 31 years and what functions internal auditing could adopt regarding corporate social responsibility. To investigate this issue, a literature review based on 65 scientific papers was carried out. In this context, it is determined that although the subject is discussed in scientific literature it has not reached the mindset of internal auditors yet.

TUESDAY 9:00-10:30

SERF09 — *Chair : Marek Cieslak* — Room : **P505**

Csr Reporting In Polish Public Companies - Empirical Approach

Author : JANUSZ SAMELAK, POZNAN UNIVERSITY OF ECONOMICS

Co-authors : ,

SU = Survey

This paper is to show the outcome of author's two-stage multi-faceted research into CSR in Polish companies listed on the Warsaw Stock Exchange (WSE). The study has verified the following research hypothesis: ESG report (CSR report) is not integrated with the annual financial statements of the socially responsible corporation hence it is impossible to communicate a clear, complete and comprehensive picture of the corporation's tangible and intangible resources, claims asserted against it or the effects of its business operations. This paper provides a platform for discussions on what integrated reporting should look like.

WEDNESDAY 9:00-10:30

SERF04 — *Chair : Tiphaine Jerome* — Room : **P504**

Determinants Of Voluntary Human Capital Reporting: An Empirical Analysis Of Two European Countries

Author : NICOLETA MARIA IENCIU, BABES-BOLYAI UNIVERSITY

Co-authors : Elena Barbu, University of Grenoble (France), CERAG - CNRS
Dumitru Mati?, Babe?-Bolyai University, Accounting and Audit Departement (Romania)

EA = Empirical Archival

The article aims to empirically identify factors that influence voluntary human capital reporting in two European countries. Using the content analysis method and the linear regression model, this study reviews the 2010 annual reports and other information sources for companies listed on the Euronext Paris and Bucharest Stock Exchanges. We propose a grid of human capital information formed by 15 items and construct an index of voluntary human capital disclosure to test associations between human capital disclosure and some firm-specific variables like: firm size, board structure, leverage, auditor type, profitability, industry, foreign activity, market status, etc. The study highlights the need for a unic framework in developing a human capital disclosure.

SERF04

Chair : Tiphaine Jerome Room : **P504**

The Informativeness Of Disclosures Under Australia'S National Greenhouse And Energy Reporting Act

Author : *WENDY GREEN, THE UNIVERSITY OF NEW SOUTH WALES* EA = Empirical Archival

Co-authors : *Jeff Coulton, The University of New South Wales*
Tara Tao, The University of New South Wales

This study documents that greenhouse gas (GHG) emissions reported under the first mandatory GHG emissions reporting scheme in Australia, the National Greenhouse and Energy Reporting Act (NGER), are informative. Value relevance tests also suggest that the market does not treat the reported GHG emissions as unbooked liabilities, contrary to expectations. In the majority of our tests, GHG emissions are positively associated with market prices. Our information content (price and volume reaction tests) suggests that the release of NGER data does not cause traders to significantly alter their priors, likely due to the long lead time between the reporting of the emissions data by companies, and its release by the government.

WEDNESDAY 9:00-10:30

SERF04

Chair : Tiphaine Jerome Room : **P504**

The Effect Of Green Certification Companies On The Implied Cost Of Equity Capital: Evidence From Korea

Author : *SOOKMIN KIM, KOREA UNIVERSITY* EA = Empirical Archival

Co-authors : *Sook Min Kim, Korea University*
Seon Mi Kim, Korea University
Dong Heun Lee, Korea University
Seung Weon Yoo, Korea University

Although the importance of green growth is globally emphasized, little is known about the relation between green growth and the perceptions of the market participants in accounting field. Prior literatures present the controversial arguments for environmental management and the corporate valuation or performance. Based on the demand of era and the opposite arguments, we examine the effect of green certification from Korean government on the implied cost of equity capital. Specifically, we analyze the relation between the Green Certification Companies (GCCs) and the implied cost of equity capital in year 2010. We find that across all three specifications of the dependent variables (GM, PEG and MPEG model), the GCCs are significantly positively associated with the implied cost of equity capital. The results are also consistent when we use the arithmetic mean of three implied cost of equity capital. These results imply that the investors demand higher ex-ante return for the GCCs than other firms. We infer that the prospect for GCCs still remain relatively higher information uncertain surrounding the green industry from the perspective of market participants. We expect that this study contribute to improve understanding of the impact of GCCs on profitability assessment and investment risk evaluation when a variety of policies associated with green growth are recently prepared by the Korean government and other countries.

WEDNESDAY 9:00-10:30

SERF04

Chair : Tiphaine Jerome Room : **P504**

Disclosure Of Environmental, Social And Governance (esg) Performance And Firm Value

Author : *NATALIA ISACHENKOVA, KINGSTON UNIVERSITY* EA = Empirical Archival

Co-authors : ,

Using newly available data from Bloomberg, on Environmental, Social and Governance (ESG) factors, the paper is aimed at investigating the impact of sustainability strategies on firm value for a panel of corporate enterprises in the United States and Europe during the period 2007-2010. Complementing financial statements, indicators of ESG performance are becoming an important type of information for investor valuation. As the financial turmoil of 2008 and recent environmental challenges caused by pollution have illustrated, management attention to ESG factors can have a substantial influence on survival and growth of commercial enterprises. An interesting issue in the ongoing debate is whether social responsibility is a superior corporate behaviour in terms of the financial consequences of adopted sustainability attitudes. In this paper, the specific concern of whether enhanced disclosure by corporate enterprises of ESG information adds shareholder value is addressed empirically through a panel analysis of the value of strategies of ESG information disclosure. The analysis employs a set of standard, externally fixed, metrics for ESG behaviour of firms, and both accounting-based and market-based measures of financial performance. Our results tentatively suggest that financial performance might be an increasing function of the amount of ESG disclosure.

SERF04

Chair : Tiphaine Jerome Room : **P504**

A Stakeholder Analysis Of Diversity Of Employee Related Disclosures In Annual Reports

Author : PAMELA KENT, BOND UNIVERSITY

Co-authors : Carolyn Windsor, Bond University
Tamara Zunker, Bond University

EA = Empirical Archival

The purpose of this study is to examine the diversity of voluntary employee related disclosures in annual company reports by applying Ullmann's three dimensions of stakeholder theory. The first dimension of stakeholder power is measured by employee share ownership, employee concentration and share ownership. It is found that disclosure diversity is associated with higher employee share ownership, employee concentration and shareholder dispersion. The second dimension of corporate strategic posture is measured by corporate governance best practices and content of corporate mission statements. Diversity of disclosure is associated with better formal corporate governance mechanisms and employee content in companies' mission statements. The third dimension of economic performance is measured by profit per employee and Tobin's Q and we find that disclosure is related to lower profit per employee and tobins Q. Disclosure diversity is also significantly associated with higher leverage, employee industry concentration and employee size.

SERF05

Chair : Michel Magnan Room : **P504**

The Impact Of Executive Compensation On Corporate Social Performance: An Empirical Analysis Of Hdax Firms

Author : STEFFEN BÜCHNER, CATHOLIC UNIVERSITY OF EICHSTÄTT-INGOLSTADT

Co-authors : Simon Gietl, EICHSTAETT-INGOLSTADT CATHOLIC UNIVERSITY
Max Göttsche, EICHSTAETT-INGOLSTADT CATHOLIC UNIVERSITY

EA = Empirical Archival

Increasing resource scarcity and eco-regulatory risks force corporations to focus on sustainable business development. This study examines whether management is monetarily incentivized for this goal by establishing a link between CSP and executive compensation. CSP is measured by utilizing the comprehensive GRI rating. Our sample consists of German HDAX firms over a five year time span. Utilizing various statistical models, we find that executive compensation is mainly dependent on firm size instead of profitability. CSP ratings show no significant influence on financial performance and executive compensation. Compensation itself appears to only have a small effect on CSP, leading to the conclusion that German executives do not seem to be efficiently incentivized in regard to CSP.

WEDNESDAY **11:00-12:30**

SERF05

Chair : Michel Magnan Room : **P504**

Does Today's Csr Disclosure Differ From That Of The 1970s? An Empirical Analysis

Author : DENNIS PATTEN, ILLINOIS STATE UNIVERSITY

Co-authors : Charles Cho, ESSEC Business School
Giovanna Michelon, University of Padova
Robin Roberts, University of Central Florida

EA = Empirical Archival

In this paper, we respond to the call for further research on whether the accountability disclosure of today differs from the social disclosure of the 1970s. We do this by examining for differences in corporate social responsibility (CSR) disclosure in the late 1970s (using data from Ernst & Ernst, 1978) relative to disclosure from 2010 corporate reports. More specifically, we show (1) the breadth of CSR disclosure (using two different measures of disclosure extensiveness) has grown dramatically, (2) that there is no significant change in the relation between legitimacy variables and differences in CSR disclosure, and (3) that differences in CSR disclosure (using either of the breadth measures) were not significant in explaining differences in the market value of firms in the late 1970s and continue to be insignificant today. In general, our results suggest that CSR disclosure, while more extensive today than it had been three decades ago, fails to provide information that is relevant for assessing firm value.

SERF05

Chair : Michel Magnan Room : **P504**

Responsible Behavior During A Situation Of Decline: U.S. Evidence

Author : *ARJOLA MECAJ, UNIVERSITY OF SALAMANCA*

EA = Empirical Archival

Co-authors : *María Isabel González-Bravo, University of Salamanca*
Doroteo Martín-Jiménez, University of Salamanca

The purpose of this paper is to analyze to what extent companies facing financial distress situations incorporate investment in responsible behaviors among their strategies as a mechanism to create favorable expectations that mitigate the weakened image given by certain financial indicators. The analysis of similarities and differences in the CSR behavior is performed using a dataset of 392 companies classified, based on their financial structure, in healthy firms and distressed firms. CSR performance is assessed using the rating reached by the firms in the KLD database, accounting for the concerns and strengths obtained in the seven KLD dimensions. For this analysis, we chose to use Multidimensional Scaling (MDS), which provides a visual representation of the pattern of proximities (similarities) among a set of observations. This study does not start off a direct link between company crisis and certain CSR strategies. The MDS methodology allows us to analyze the profiles of firms in a specific financial distress situation without any a priori assumptions on causal relations that could be used as predictors of CSR performance. The results show that there are no significant differences between healthy firms and distressed firms considering the strength items of the KLD database. However, the severity degree of the firms in a distress situation, as well as its origin (i.e. operational or financial) does influence the behavior of the firms on the responsible actions.

WEDNESDAY **11:00-12:30**

SERF05

Chair : Michel Magnan Room : **P504**

The Effects Of Stakeholders On Csr Disclosure: Evidence From Japan

Author : *AKIHIRO NODA, TOKYO CITY UNIVERSITY*

EA = Empirical Archival

Co-authors : *Chika Saka, Kwansei Gakuin University*

This paper examined the effects of stakeholders on firms' CSR information disclosures. In Japan, many firms voluntarily disclose CSR information, with disclosure practices varying across firms. This paper quantified the CSR information released by 236 Japanese listed firms and examined the relationship between CSR information disclosures and the information needs of firm stakeholders. The results revealed that (1) the information needs of external stakeholders, including governments, creditors, consumers and local residents induced firms to disclose CSR information, (2) internal stakeholders have no effects on CSR information disclosure, and (3) CSR advocacy groups as intermediary stakeholders exerted a positive effect on CSR disclosure. The results suggest different relationship between CSR information disclosures and stakeholders' information needs by CSR categories. These findings also reinforce the suggestion that the different stakeholder types (internal, external, and intermediary) have dissimilar CSR information needs. This research would contribute to our understanding of the effect of stakeholders on firms' CSR information disclosure more inclusively.

WEDNESDAY **11:00-12:30**

SERF05

Chair : Michel Magnan Room : **P504**

Disclosure Of Intellectual Capital: The Case Of French Family Firms

Author : *ADEL BELDI, IÉSEG SCHOOL OF MANAGEMENT*

EA = Empirical Archival

Co-authors : *Adel Beldi, IESEG School of Management/LEM*
Salma Damak-Ayadi, IHEC Carthage Tunis, Tunisia
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This study examines the extent and nature of voluntary intellectual capital disclosure by listed family firms in France. The study covers the period from 2008 to 2011.Content analysis was used to measure the extent of voluntary IC disclosure in annual reports or reference documents. It differs from prior intellectual capital reporting studies in that it analyses the case of French family firms listed in the SBF 250 index. The paper finds an overall increase in ICD over the four years. The relational capital and human capital are the most categories disclosed. Employee and corporate reputation are the most subcategories reported.

SERF06 — *Chair : Dennis Patten* — Room : **P504**

Sustainability Content On Oil And Gas Company Websites

Author : SYLVIE BERTHELOT, UNIVERSITY OF SHERBROOKE

EA = Empirical Archival

Co-authors : Michel Coulmont, University of Sherbrooke
Kim Thibault, University of Sherbrooke

This study examines the sustainability content and the determinants underlying such content on Canadian oil and gas company websites. The website content of 68 of the largest oil firms listed on the S&P/TSX was evaluated using an index based on each of the three Global Reporting Initiative (GRI) components (environmental, social and economic). The characteristics of the firms were then regressed on the content analysis. The results suggest that the larger the firm and the greater its media exposure, the more likely it is to include sustainability disclosures on its website. Firm profitability and leverage seem to be unrelated to these types of disclosures. This study provides empirical observations that could be useful for stakeholders wishing to obtain information about firms' sustainability practices and for various organizations involved in developing sustainability disclosure guidelines. In fact, the results tend to show that, despite the growing popularity of sustainability reporting benchmarks like the Global Reporting Initiative (GRI), the voluntary nature of sustainability disclosures has elicited a variety of disclosure practices on organizations' websites.

WEDNESDAY 14:00-15:30

SERF06 — *Chair : Dennis Patten* — Room : **P504**

Does Csr Reporting Destroy Firm Value?

Author : MARTIN ROLOFF, CATHOLIC UNIVERSITY OF EICHSTÄTT-INGOLSTADT

EA = Empirical Archival

Co-authors : Simon Gietl, Catholic University of Eichstätt-Ingolstadt
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In this paper, we analyse how corporate social responsibility (CSR) reporting in alignment with the global reporting initiative (GRI) affects the firm value of EUROSTOXX 600 firms. GRI currently provides the most widely applied CSR reporting framework. In contrast to prior studies, we use standardized defined application levels of GRI in order to reduce the effect of subjective aspects. The firm value is measured by Tobin's q. Our findings show that the highest level of GRI-aligned reporting (GRI A+) has a negative and statistically significant influence on firm value. However, this effect is only statistically significant for smaller or less profitable firms. These results may reflect the high costs of implementing GRI A+-level reporting for such firms, which may in turn raise doubts among investors concerning the seriousness of a firm's CSR strategy, which chooses to adhere to formal reporting standards instead of allowing the organic growth of a responsibility culture. At least in such cases CSR reporting does indeed destroy firm value.

WEDNESDAY 14:00-15:30

SERF06 — *Chair : Dennis Patten* — Room : **P504**

Environmental Corporate Governance Practices: An Analysis

Author : AMAURY JOSE REZENDE, UNIVERSITY OF SAO PAULO

EA = Empirical Archival

Co-authors : Flávia Zóboli Dalmácio, University of Sao Paulo
Maisa De Souza Ribeiro, University of Sao Paulo

The aim of this study is to analyze the structural relations between strategy, environmental performance and disclosure, in view of the lack of research on these endogenous relations. To analyze these relations, an environmental governance proxy was developed for Brazilian companies, which consists of five dimensions. Hence, from an economic perspective, a trend is expected for companies to disclose more information and maintain an environmental governance structure, so as to avoid or reduce potential political costs. Using the structural equation technique, 573 Brazilian companies were analyzed. According to the results, the Brazilian companies' mean compliance level with environmental governance practices is 49.2%. In addition, there is evidence of a positive association between the governance structure and the environmental management system (GSEM) and (1) environmental performance (EP) and (2) environmental disclosure level (DISC). In addition, the level of conflict of interests positively affects disclosure. The results demonstrate that the latent variables GSEM and EP exert a direct and indirect positive effect on DISC. In other words, companies with a more structured environmental management system have obtained better performance indicators and, consequently, are more encouraged to disseminate environmental information and reduce political costs.

SERF06

Chair : Dennis Patten

Room : **P504**

Global Climate Change And Fossil Fuel Reserves Reporting

Author : *JAN BEBBINGTON, UNIVERSITY OF ST ANDREWS*

EA = Empirical Archival

Co-authors : *Lorna Stevenson, University of St Andrews*
Alison Fox, University of Dundee

This paper explores the potential mis-match between reporting of fossil fuel reserves in annual reports and the demands of the global climate change agenda. In particular, if governance regimes developed in response to concerns over climate change dictate steep reductions in greenhouse gas emissions then the amounts of fossil fuel reserves reporting in accounts will include 'unburnable carbon'. If financial markets are not carbon literate then it is possible that they might not recognize that this constraint is value relevant and as a result stock markets might be ill informed. This paper explores through a multilayered empirical investigation the implications of this possibility.