“Taking a Long View on What We Now Know about Social and Environmental Accountability and Reporting”
R.H. Gray
Electronic Journal of Radical Organisation Theory (EJROT), 9(1), Special Issue on Theoretical Perspectives on Sustainability; December 2005, 31pp.

It is sometimes easy to become so enmeshed in the details of a research project that we don’t stand back often enough to appreciate or reflect upon how the social accounting project (to which we are all contributing in some way) has the potential to make a significant difference to improving the lives of many and the future of the planet. Rob’s paper in the special issue of EJROT very clearly and succinctly articulates this broad role (or mission) and potential of social accounting research, as well as the substantial limitations and harmful potential of much current social accounting practice. Among its other qualities, this paper therefore serves as a very useful reminder of one of the key reasons why most of us are engaged in the research we undertake.

Based on the observation that while many social accounting researchers have drawn liberally from other disciplines, researchers in other (non-accounting) areas of sustainability management have not tended to draw upon social accounting research, one of the main aims of the paper is to explain to people outside the social accounting research community what we do, and why and how our work has the potential to be of vital importance in achieving a more sustainable (or less socially unjust) world. As it is written with Rob’s customary clarity and accessibility, the paper therefore provides a very helpful starting point for anyone wanting to find out about the aims and achievements of social accounting research, with a particular focus on social and environmental accountability and reporting (SEAR). As such, it is likely to become standard reading material both for any course, which incorporates lectures on SEAR, and for those embarking on SEAR research.

Within the paper, Rob briefly outlines the growth of research in SEAR in recent decades and offers a typology of the different approaches and motivations underlying this research. Rob then argues that to move towards the achievement of its potential of helping foster a more sustainable world through holding organisations accountable for the broadly defined impacts of their actions, it is necessary for SEAR research to be critical rather than compliant with managerial practices. He also gives many examples from existing literature and from gaps in this literature, which, Rob argues, demonstrate the need for much greater criticality in SEAR research. These arguments highlight how voluntary SEAR practice: has been captured by powerful corporate interests; has been largely trivial in nature; and therefore has little potential to make a substantive difference – hence a vital need for more critical and radical research into alternative models of SEAR which can highlight the socially and environmentally damaging and destructive nature of much corporate activity. The paper covers considerable ground, so it is not possible in the space available for this brief review to summarise the many areas and arguments contained within the paper. But the force of the arguments provide a compelling agenda for future research in SEAR specifically, and social accounting more broadly, and therefore the paper should be regarded as essential reading for anyone undertaking research in this area.

(Jeffrey Unerman, Royal Holloway, University of London) The online journal is accessible at: http://www.magic-wakako.ac.nz/ejrot/

“Assurance Statement Practice in Environmental, Social and Sustainability Reporting: A critical evaluation”
B.O’Dwyer and D.L. Owen
British Accounting Review 37(2) June 2005 (pp205-229)

This thorough and critical paper provides a detailed and in-depth exposition of the state of “assurance” in standalone reporting in the UK and, indeed, elsewhere. A wide-ranging review of prior work is followed by a detailed comparison of the AA100, FEE and GRI requirements for assurance statements. The heart of the study is an examination of the 28 UK and 13 non-UK European reports, which were short-listed for the ACCA’s UK and European Sustainability Reporting Awards 2002 and which contained an assurance statement. The results are carefully, persuasively and damningly reproduced. Whilst some improvement is noted from the prior Ball et al (2000) study, the managerial capture, the caution in (especially accountants”) assurance statements, the lack of stakeholder engagement, the failure to address assurance statements to specific constituencies, all (inter alia) contribute to a conclusion that no assurance can be drawn from assurance statements. An entirely persuasive and challenging paper that one hopes the profession and “assurers” might like respond to. Is that a pig I see up in the sky? (RHG)

“Quantity Versus Quality: The impact of environmental disclosures on the reputation of UK ples” J. Hasseldine, A.I. Salama and J.S. Toms
British Accounting Review 37(2) June 2005 (pp231-248)

A strictly economic enquiry in the style of - and extending - Toms (2002 – SEA) 23.2). The study comprised 139 companies, from those listed in the UK’s Most Admired Companies and for which financial data was available for the year 2000. Disclosure is measured not just as an amount but a judgement is made and the disclosure is scored for quality. This quality apparently has a bigger effect on environmental reputation than does environmental disclosure quantity – at least amongst executive and “stakeholder” groups. R&D is also amongst the factors, which can contribute to this reputation. (RHG)

“Strategically Informed, Environmentally Conscious Information Requirements for Accounting Information Systems” D.L.Brown, J.F.Dillard & R.S.Marshall
Journal of Information Systems 19(2) Fall 2005 (pp79-103)

A dense and complex analysis of why and how accountability information systems must/can be more reflective of the growing environmental agenda. That agenda means that managers - whether from economic, risk reduction or responsibility motives – will increasingly need
to integrate environmental matters into their decision making. However current accounting systems will not provide such information. The core of the paper is a complex matrix (based broadly on Bansal and Roth and a range of strategic motivations drawn from the strategy literature) from which the key characteristics needed to guide the design of “environmentally-responsible” AIS can be drawn. The integration of environmental data into an AIS raises a range of issues about the compatibility of such data (in different and non-financial units) with traditional economic data. (RHG)

“Social and Environmental Accountability Research: A view from the commentary box” L.D. Parker Accounting, Auditing and Accountability Journal 18(6) 2005 (pp842-860)
As advertised in the title, this is a very personal essay that, in broad terms reviews, digests, extends and critiques two of the prior reviews of the social and environmental accounting literature by Mathews (1997 – SEAJ 18.1) and Gray (2002 – not reviewed in SEAJ). In addition to providing an accessible introduction to this – and the wider – literature, the paper also provides a broad overview of the theory(ies) used in SEA research as well as a descriptive review of the emphases through time in the different journals that support SEA. The paper concludes with a (relatively) positive assessment of the health of SEA and an indication of some of the possible areas for future development. (RHG)

“Social and Environmental Reporting in the UK: A pedagogic evaluation” I. Thomson and J. Bebbington Critical Perspectives on Accounting 16(5) July 2005 (pp 507-533)
The paper sets out to explore the novel contention that we may see (and thereby evaluate) social and environmental reporting as a pedagogic process in which organisations seek to educate (relevant?) publics. The basis of the paper is a detailed explanation of Friere and his theories of education and, in particular, what is meant by “banking” (oppressive) versus “dialogic” (emancipatory) approaches to education. Following a detailed critique of current approaches to stakeholder engagement, and drawing from the authors’ own extensive and varied practical engagement in the field, the paper first outlines what characteristics a dialogic SEA account might possess before exploring the extent to which these can be found in current social and environmental reporting practice. It comes as little surprise to discover that current practice fails to, for example, illustrate the “hidden curriculum” of organisations and their interactions with society and the environment. The paper concludes with a range of arresting prescriptions for an SER, which would challenge and problematise (and thereby emancipate) stakeholders’ notions and understandings of (for example) sustainability and organisations. (RHG)

“Content Analysis of Social, Environmental Reporting: What is new? J. Guthrie and I Abyseksera Human Resource Costing and Accounting 10(2) 2006 (pp114-126)
This relatively short paper is a brief review of content analysis, which will be of interest to those who are relatively unfamiliar with the method, its strengths and its weaknesses. Very properly re-establishing Guthrie’s own work as the initial influence in the development of the method in social accounting, the thrust of the paper is to argue that the weaknesses of content analysis – whether using a disclosure index or a volume measure - may be overcome by combining the method with other research approaches. A sound suggestion in an introductory paper. (RHG)

“Cross Sectional Effects of Community Disclosure” D. Campbell, G. Moore and P. Shrives Accounting, Auditing and Accountability Journal 19(1) 2006 (pp96-114)
A longitudinal content analysis of the community disclosures in the annual reports of 10 UK FTSE companies for the years from 1974 to 1998. The 10 companies were selected, two from each of five sectors. The results are consistent with prior work in that sensitivity of industry profile – insofar as the public may expect and consequently demand greater disclosure from certain companies - is related to levels of disclosure. (RHG)

“Strategic Posture, Financial Performance and Environmental Disclosure: An empirical test of legitimacy theory” V. Magness Accounting, Auditing and Accountability Journal 19(4) 2006 (pp540-563)
This is an imaginative, positivistic attempt to test of Ullmann’s hypothesis that social disclosure will be simultaneously influenced by the power of external stakeholders, company strategic posture plus financial performance. The paper focuses on gold mining in Canada and in a year following a major accident. Press releases are used as a proxy for strategic posture. An active strategic posture is found to be consonant with higher annual report disclosures. NO effect is found for financial performance. (RHG)

“Private Social, Ethical and Environmental Disclosure” J.F. Solomon and A. Solomon Accounting, Auditing and Accountability Journal 19(4) 2006 (pp564-591)
This is a companion to the (strangely unreferenced) Solomon and Darby piece in Accounting Forum (SEAJ 25.2), which reports the interviews with 24 FTSE companies. This reports the interviews with 21 investors and investor-related individuals (with an emphasis on SRI) on the matter of the disclosure (and response to that disclosure) of social, ethical and environmental information in private company-investor meetings. Like the Solomon and Darby piece, this paper also uses the Thomson and Bebbington dialogic framework within which to locate the analysis. The poverty of public disclosure has, it seems generated a two-way (i.e. dialogic) conversation about social information and the exchange of private information on social matters and this, in turn, appears to be starting to inform public disclosure itself. Private disclosure is evolving rapidly. These results are in contrast with prior research but the positive message for SEA is qualified by a cautionary note about the extent to which social information not mainstream and easily ousted in the face of financial need. (RHG)