

Title

Stakeholder engagement and dialogic accounting: empirical evidence in sustainability reporting

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Abstract

Purpose

This study aims to explain how sustainability reporting and stakeholder engagement processes serve as vehicles of dialogic accounting, a form of critical accounting that creates opportunities for stakeholders to express their opinions, and the influence of dialogic interactions on the content of sustainability reports.

Design/methodology/approach

Content analysis is used to investigate reports published by 299 companies that have adopted Global Reporting Initiative guidelines. This article studies how organizations engage stakeholders, the categories of stakeholders that are being addressed, the methods used to support stakeholder engagement, and other features of the stakeholder engagement process. Companies that disclose stakeholder perceptions, the difficulties met in engaging stakeholders, and actions aimed at creating opportunities for different groups of stakeholders to interact were subjects of discussion in a series of semi-structured interviews that focus on dialogic accounting.

Findings

Companies often commit themselves to two-way dialogue with their stakeholders, but fully developed frameworks for dialogic accounting are rare. However, signs of dialogic accounting emerged in our analysis, thus confirming that sustainability reporting can become a platform for dialogic accounting systems if stakeholder engagement is effective.

Originality/value

Our findings contribute to the accounting literature by discussing if and how sustainability reporting and stakeholder engagement can serve as vehicles of dialogic accounting. This is accomplished via a research design that is based on in-depth interviews and content analysis of various sustainability reports.

Keywords

Dialogic accounting, stakeholder engagement, sustainability reporting, social and environmental accounting, content analysis, interviews, GRI, stakeholders, polylogic accounting.

1. Introduction

In the last twenty years, the publication of social, environmental, and sustainability (SES) reports has expanded in many countries. Some companies voluntarily produce and publish SES reports in order to both simplify the means by which their stakeholders gain access to information pertaining to various economic, environmental, and social issues (Clarkson et al., 2011; Guziana & Dobers, 2013; Thorne et al., 2014), and improve their external accountability activities and disclosure attitudes. Indeed, the principles of relevance and materiality suggest that stakeholder engagement often determines what information is reported and how it is made available to a wider audience (Gray, 2000). The materiality principle suggest that a SES report should cover every factor that substantively influences the assessments and decisions of stakeholders (Global Reporting Initiative, 2013a). Stakeholder engagement emphasizes the extent to which organizations involve and empower stakeholders in decision-making processes, information sharing, dialoguing, and creating models of mutual responsibility (Andriof et al., 2002; Prado-Lorenzo et al., 2009). Relations between stakeholders and organizations are based on how ideas of reciprocity, interdependence, and power (Andriof & Waddock, 2002) are employed in networks that encourage two-way forms of communication (Rowley, 1997; Bellucci & Manetti, 2017; 2018).

The main feature of stakeholder engagement, therefore, is not the mere involvement of stakeholders to mitigate or manage expectations, but rather the creation of a network of mutual responsibility (Andriof et al., 2002; Belal, 2002; Steurer et al., 2005). Stakeholders also participate in business management by raising issues that can have both a positive or negative effect on corporations, thereby influencing managerial decisions (see, for example, Rodrigue et al., 2013 regarding the influence of stakeholders in determining environmental performance indicators and environmental strategies). Thus, their main responsibility is to avoid raising issues that might cause unintended negative externalities on the corporation, other organizations, or local communities (Andriof et al., 2002; Windsor, 2002). If stakeholders have responsibilities and rights, then their relationship with the corporation should go beyond merely satisfying their expectations (Jones et al., 2002; Wicks & Goodstein, 2009).

International guidelines for SES reporting and assurance treat stakeholder engagement as a compulsory means of producing a complete and useful document for its intended users (AccountAbility, 2011; Global Reporting Initiative, 2013a). More than providing a general outline of an organization's corporate activities, SES reports should communicate useful information to stakeholders (Global Reporting Initiative, 2013a).

In recent years, researchers have found evidence of unprecedented levels of stakeholder participation and interaction in SES reporting (Manetti, 2011; Miles et al., 2002; Unerman & Bennett, 2004; Manetti & Bellucci, 2016). In other words, engagement and dialogue with stakeholders are increasingly recognized as crucial elements of SES reporting (Van Huijstee & Glasbergen, 2008), even though these types of activities are rarely included in corporate reports (ACCA, 2005; Manetti, 2011).

The features and effects of dialogic interactions in SES reporting have not been adequately addressed by both scholars and practitioners. The quality of SES reporting and stakeholder engagement has often been associated with the emerging topic of dialogic accounting (DA), also addressed as “polylogic accounting” (see Dillard & Roslender, 2011), a form of critical accounting that attempts to create spaces and opportunities for stakeholders whose expectations or opinions are ignored in traditional reports (Brown & Dillard, 2015). Stakeholder engagement, for instance, plays a fundamental role in every dialogic (or polylogic) codification process because it allows for a more pluralist expression of public interest, thus “mitigating the dominance of instrumental rationality” (Dillard & Ruchala, 2005, p. 621).

Although DA does not coincide or overlap with SES reporting—in fact, it often goes beyond stakeholder engagement itself—encouraging the involvement of interested parties in this process can act as an important vehicle of codification and create a new dialogic representation of reality.

Inspired by these considerations, this is one of the first studies to explain how sustainability reporting and stakeholder engagement practices can serve as vehicles of dialogic accounting—a novel approach to SES reporting that challenges several accounting and sustainability practices (Thomson et al., 2014). Since sustainability accounting usually focuses on corporate accounts and reports, scholars and practitioners alike have largely failed to acknowledge the importance of involving institutions, local communities, and stakeholders in a much broader manner. In fact, dialogic activism often sees accounting entities as having a negative effect on the community. Sustainability accounting, by contrast, requires the empowerment of the community in order to resist the threats and hazards from unsustainable “thought-language” (Cooper et al., 2005; Gray et al., 2014; Lehman, 2002), which in turn enables communities to recognize their value in shaping the future of the planet.

A more thorough understanding of DA practices in SES reporting can help us better evaluate whether mandatory disclosure or certification policies are necessary, and whether improved guidelines for accounting and reporting are required. Above all else, this paper contributes to debates in the field of critical accounting by providing evidence of attempts to implement—both consciously and unconsciously—DA practices through sustainability reports. Unfortunately, the relationship between dialogic and social accounting is rarely mentioned in the scholarly literature, even though there is evidence that organizations can foster dialogic processes through SES reporting.

The article is structured as follows. In the following section we discuss the theoretical framework of DA and its connection with SES reporting, the latter of which is linked to stakeholder engagement practices and the principles of materiality and relevance. Section 3 describes our mixed methodology approach based on content analysis and semi-structured interviews that were used to gather evidence on how DA often emerges through SES reporting and related stakeholder engagement processes. Section 4 presents the results of our empirical research on a large sample of Global Reporting Initiative (GRI) SES reports. The concluding section discusses stakeholder engagement, dialogue, and participation through either a convergent or agonistic perspective, and assesses the state of the field, emphasizing the practical implications of our work, the limits of our research, and the possibility of developing new DA approaches that involve SES reporting and related stakeholder engagement processes.

2. Theoretical framework

This section discusses the scholarly literature that addresses the link between SES accounting and stakeholder engagement as vehicles of dialogic accounting (e.g. Dillard & Roslender, 2011; Brown & Dillard, 2013a, 2013b, 2014). We describe the role played by stakeholder engagement in SES accounting and reporting practices, and then define “dialogic

accounting”, an umbrella term that is often used by contemporary scholars and practitioners.

Many international standards for SES accounting and reporting require stakeholder engagement in order to produce a complete and useful document for its intended users (AccountAbility, 2011; Global Reporting Initiative, 2013a; Manetti, 2011). It is safe to say that stakeholder engagement is not only at the very core of SES accounting and reporting, but that sustainability reporting itself is (or should be) a dialogic process that examines accountability relationships between stakeholders and organizations (Gray et al., 1997). This is why previous studies on SES accounting have focused on enhancing levels of democratic interaction (Dey, 2003; Gray, 1997; Boyce, 2000; Gray & Bebbington, 2001; Brown, 2009) and, most recently, attempts to create new DA practices and technologies that promote stakeholder engagement and interaction (Bebbington et al., 2007; Frame & Brown, 2008; Thomson & Bebbington, 2005). In fact, Thomson and Bebbington (2005) claim that stakeholder engagement is of utmost importance in SES accounting, arguing that it should address conflicts among stakeholders, recognize diverse viewpoints, and explicitly manage power dynamics.

Thomson and Bebbington (2004; 2005) also discuss the extent to which DA stimulates SES reporting practices among corporations. They argue that DA should support SES reporting in raising awareness of the unsustainable nature of current socio-economic systems, thereby improving decision-making processes and creating a more sustainable future for the planet (Bebbington et al., 2007; Contraffatto et al., 2015; Dillard & Roslender, 2011; Gray, 2010; Gray et al., 2014; Lehman, 2001, 2002). DA often shapes the contents of conventional SES reports and empowers local, national, and international communities (Lombardi, 2016), which means that it gives stakeholders an opportunity to alter the future by using SES reporting to influence corporate policies. For instance, Freire (2005) claims that dialogic codifications serve as representations of community life, societal structures, and the various “thought-languages” that condition an organization’s actions. These dialogic codifications provide “meaningful representations of the [concrete] existential situations” found within the community (Freire, 2005, p. 105).

Bebbington and her colleagues (2007) see DA as the engagement and involvement of multiple constituencies in projecting and developing innovative accounting tools and techniques that gather, manage, and report relevant and timely information. This in turn allows stakeholders to participate in decision-making processes and dialogue that could lead to the creation of shared platforms and solutions to problems associated with organizational conduct (Vinnari & Dillard, 2016; Bebbington et al., 2007; Bellucci et al., 2019). Brown and Dillard (2014) have proposed several new approaches to DA that are worth considering, including scenario workshops, deliberative mapping, multi-criteria analysis, open space technologies, Q methodology, and dissensus conferences. They argue that these methods “combine stakeholder assessments with specialist appraisals in ways that emphasize diversity, contestability and social learning; highlighting the divergent ways in which issues can be framed as a basis for debate” (Brown & Dillard, 2014, p. 1127).

The contested nature of accounting information—and the importance of responding to a wider range of interested constituencies—has led many scholars to re-think their views on reporting practices, including calls for new accounting processes that recognize the pluralist nature of contemporary society (Boyce, 2000; Cooper & Morgan, 2013; Dillard & Ruchala, 2005; Macintosh & Baker, 2002). By supporting stakeholder engagement and community participation, DA involves the creation of a public forum where diverse constituencies can express opinions and different points of view—including discussions of related ideologies and power relations—without assuming a single, shared framework that is based on an agonistic approach to democracy. DA allows stakeholders with divergent socio-political perspectives to express different views on accountability, how these phenomena are accounted for, and on whose terms. In many respects, the absence of consensus or explicit dissent can be best

understood via an agonistic perspective (Brown, 2009; Dillard & Roslender, 2011; Dillard & Yuthas, 2013). Stakeholders who participate in pluralistic processes are given a chance to better understand their differences, while also emphasizing their common ground, thus creating a public forum where diverse constituencies can share ideas and points of view, organize and formulate possible projects, and/or stimulate actions that are “more collectively robust” (Stirling, 2008, p. 280). Participation, discussion, and comparison quicken “critical reflection on taken for granted understandings and practices, opening the way for transformative change of individuals, groups, organizations and institutions” (Brown & Dillard, 2015, p. 966).

It is important to emphasize that DA has two alternative aims:

1. Create a deliberative, general consensus (Power & Laughlin, 1996; Laughlin, 1987, 2007) that is based on Habermas’ “ideal speech situation”—in other words, communication among stakeholders in undistorted conditions (Habermas, 1984, 1987, 1989) that can be expressed in a “a discursive arena that is home to citizen debate, deliberation, agreement and action” (Villa, 1992, p. 712; Dahlberg, 2005);
2. Assemble a collection of divergent socio-political views in an agonistic perspective, highlighting the values and assumptions associated with different viewpoints and recognizing the need for multiple engagements between different actors across various political spaces (Gray, 2002; O’Dwyer, 2005; Brown & Dillard, 2013a, 2013b).

The agonistic approach is particularly interesting in the context of the present study because stakeholder engagement helps synthesize the different points of views that are often found among groups with diverse interests. This approach recognizes the need for multiple engagements between different actors across various political spaces (Gray, 2002; O’Dwyer, 2005) and is based on an agonistic model of participation (Brown, 2009; Dillard & Roslender, 2011; Dillard & Brown, 2012; Brown & Dillard, 2013a, 2013b).

As in pharmacology, when a chemical binds to (and activates) a receptor in order to produce a biological response, the agonistic approach can foster and stimulate democratic decision-making processes. Indeed, Mouffe (1995) argues that agonistic approaches are opposed to the Marxist concept of “materialism,” emphasizing instead the positive aspects of certain forms of political conflict. Thus, conflict is given a permanent role in the agonistic worldview, oftentimes stressing how conflict can be channeled in a positive manner. For this reason, supporters of the agonistic perspective are especially concerned with debates about democracy.

Agonistic approaches are also used to bring closure to the stakeholder engagement process. Interactive relationships among diverse stakeholders should result in a network that supports emerging facts. However, “the (ant)agonistic framework requires that once closure has been attained and a new dominant hegemonic order established, the process is immediately opened up again allowing appeal by the excluded parties” (Vinnari & Dillard, 2016, p. 39). In other words, the positive results of addressing conflict should influence the accounting and reporting process by legitimizing dissenting and supportive constituencies, granting them a more prominent role in the decision-making process and future deliberations.

Brown’s ideas (2009) on the relationship between agonistic democracy and DA have found support among his peers (Blackburn et al., 2014; Brown, 2009; Brown & Dillard, 2013a, 2013b, 2014, 2015; Brown et al., 2015; Dillard & Brown, 2012, 2015; Dillard & Roslender, 2011; Dillard & Yuthas, 2013; Söderbaum & Brown, 2010; Vinnari & Dillard, 2016). In fact, some of these authors have embraced the expression “agonistic DA” (Brown, 2009; Dillard & Brown, 2012; Vinnari & Dillard, 2016), a phrase that refers to the decisive moments that often arise when implementing a project based on the logic of pluralism. Thus, agonistic DA highlights the so-called “paradox of pluralism”; it creates boundaries between social actors and parties, but its main aim is to valorize and overcome differences through dialogue and debate.

Agonism and pluralism require stakeholder and community engagement in order to create a broader audience, even though obtaining tangible results ought to be a primary goal. In other words, agonistic DA should bring closure to the engagement process by incorporating democratic decision-making strategies (Vinnari & Dillard, 2016).

In both deliberative and agonistic approaches, recognizing a diverse array of ideological orientations, enabling access for non-experts, and ensuring effective participation are core principles of DA (Brown, 2009; Brown & Dillard, 2013a, 2013b). Monologic accounting, by contrast, operates under the assumption that the informational needs of investors can affect the values and principles of accounting and reporting systems. As Brown (2009) explains, “monologic accounting also reflects a finality orientation; the ‘facts speaking for themselves’...” (p. 316).

Recently, Brown and Dillard (2013a, 2013b) have tried to foster accounting practices that are more receptive to the needs of a plural society, thus taking into account stakeholder values and interests (Brown, 2009). These practices are often referred to as DA, a concept that recognizes various points of views and refuses to regard capital markets and investors as priority stakeholders. It is also worth noting that DA rejects the idea of a universal narrative, preferring to think of institutions as being beholden to diverse perspectives and the interests of a wide variety of stakeholders.

According to Freire (2005), DA does not hope to simply account for an organization’s choices and actions, but rather demonstrate what the organization has done in terms of recognizing “thought-languages” that constrain or criticize its actions, thereby transforming the community in which the organization is situated (Freire, 2005). These dialogic accounts—which Freire calls “codifications”—should provide “meaningful representations of the [concrete] existential situations” (Freire, 2005, p. 105) in the community.

DA also provides the community with new opportunities to stimulate dialogue, create solutions for pressing problems, and expose physical, cultural, or intellectual barriers—so called “limiting situations and factors” (Freire, 2005, p. 99). However, Freire (2005) claims that a risk associated with dialogic accounting practices (especially counter accounts) involves the ways in which organizations marginalize alternative voices that adopt an agonistic perspective, thereby providing accountability traces for decisions that have already been made or omitted. According to Brown and Dillard (2015), disclosing dissenting views in annual reports or SES reports can help stakeholders re-establish debates on economic, social, or environmental issues, while also drawing attention to bad business practices that have been dismissed or minimized by organizations in the past.

3. Research design

3.1. Sample and data

In order to pursue our research objectives, we created a sample of sustainability reports that were prepared in accordance with the G4 version of the GRI guidelines. Although other international organizations offer SES reporting guidelines—indeed, this sample should not be considered representative of all global organizations that publish SES reports—the guidelines provided by the GRI are the most trusted and widespread standard for sustainability reporting (Thorne et al., 2014; Manetti & Bellucci, 2016; Diouf & Boiral, 2017), as more than 13,000 organizations from more than 80 countries currently use (or have used) GRI guidelines to produce their sustainability reports (Bellucci and Manetti, 2018; Global Reporting Initiative, 2013). Even though sustainability practices often vary between countries (Schaltegger et al., 2014), the GRI provides a unified standard for sustainability reporting and, in principle, allows us to compare information and engage in benchmarking between various organizations (Diouf

& Boiral, 2017; Marimon et al., 2012). We selected sustainability reports that had the following features:

- accordance with the GRI-G4 standard — “core” and “comprehensive” adherence levels;
- external assurance;
- reports were published in 2016;
- the organizations are private companies (owned by either non-governmental organizations or several stakeholders), state-owned companies (legal entities created by government in order to undertake commercial activities on behalf of the state), or subsidiaries (companies controlled by another company by owning more than 50% of voting stock);
- availability on the GRI’s online sustainability disclosure database.

We concluded that 351 organizations in the GRI database posted sustainability reports that met some or all of these criteria. We then excluded 52 reports that were written in languages other than English, Spanish, Portuguese, and Italian—in other words, languages that our research team were unable to read—or whose information was unavailable when the content analysis was being performed.

All in all, our sample is based on the annual reports of 299 organizations from several different sectors. Table 1 provides a complete overview of the types of organizations included in our sample and the sector in which they operate.

Table 1 – Sectors and organization types

Sector	Organization type			TOTAL
	Private company	State-owned company	Subsidiary	
Agriculture	1		1	2
Automotive	9			9
Aviation	4	2		6
Chemicals	12	1		13
Commercial Services	6			6
Computers	2			2
Conglomerates	10	1	1	12
Construction	3		1	4
Construction Materials	9		1	10
Consumer Durables	4			4
Energy	22	6	2	30
Energy Utilities	12	4	2	18
Equipment	7			7
Financial Services	38	6	3	47
Food and Beverage Products	16			16
Forest and Paper Products	4			4
Healthcare Products	4			4
Healthcare Services	2			2
Household and Personal Products	2			2
Logistics	5	1	1	7
Media	3			3

Metals Products	3		1	4
Mining	16	1		17
Other	11	2		13
Railroad	1	1		2
Real Estate	14			14
Retailers	4			4
Technology Hardware	7			7
Telecommunications	18	2	2	22
Textiles and Apparel	2			2
Tobacco	1			1
Tourism/Leisure	3			3
Water Utilities	1	1		2
TOTAL	256	28	15	299

Europe is the most represented region (138 organizations) in our sample, followed by South America (63), Asia (59), North America (33), Africa (4), and Oceania (2). Our sample consists of 100 multinationals (MNE), 191 large enterprises (Large), and 8 small or medium enterprises (SME). The headquarters of all the organizations in our sample are located in either Europe, Asia, or North America.

Even though our sample is heterogeneous in terms of company size, industry, and geographic locations, the sample selection is in line with previous studies that deal with stakeholder engagement and sustainability reporting, making use of samples that feature different types of companies from several different countries (Ayuso, Ángel Rodríguez, García-Castro, & Ángel Ariño, 2011; Boiral, 2013; Frias-Aceituno, Rodríguez-Ariza, & Garcia-Sánchez, 2014; Sierra-García, Zorio-Grima, & García-Benau, 2015; Manetti & Bellucci, 2016). Selecting all the companies that followed GRI-G4 standards reduces problems related to heterogeneity. The adoption of GRI standards enhances our ability to compare sustainability reports (GRI, 2006), allowing users to compare the information over time alongside information disclosed by other companies that are also GRI adopters (Diouf and Boiral, 2017). Moreover, we have conducted tests to control for potential differences in stakeholder engagement practices and dialogic behaviors among companies that vary in size and operate in different industries. More specifically, we have assessed the impact of size, geographic location, and different level of adherence to GRI standards (Appendix 2).

3.2. Methodology

We opted for a mixed methodology that is built on content analysis and semi-structured interviews. Employing a mixed methodology allowed us to obtain a more complete picture of the phenomenon under study (Webb et al., 1966), improve the validity of our various theoretical propositions, and familiarize readers with the subject/context of our research (Ihantola & Kihn, 2011). Indeed, these factors explain why scholars in the field of accounting studies have called for greater use of mixed methodology approaches in recent years (Creswell & Clark, 2007).

3.2.1. Content analysis of SES reports

In the first phase of our research, a content analysis of stakeholder engagement was performed in order to better understand the various features of the stakeholder engagement process and determine if these characteristics point towards some form of DA. Content analysis is a research technique based on the objective, systematic, and quantitative description of the

manifest content of communication (Berelson, 1952). According to Bryman and Bell (2015), content analysis has been increasingly used in business research to examine media items and annual reports.

The reliability of the data produced by our content analysis can be assured by using multiple coders and reporting/analyzing discrepancies that emerge between the coders (Milne & Adler, 1999; Guthrie et al., 2004; Manetti & Bellucci, 2016). Given the large size of the sample and the vast amount of text that needed to be processed, the data collection team was composed of five junior researchers, one supervisor, and one coordinator. According to Elo and Kyngäs (2008), the internal validity of content analysis can be assessed by using agreement coefficients (Weber, 1990), such as Cohen's κ coefficient. Since coders may agree on coding categories by chance, Cohen's K coefficient (Cohen, 1960) allows us to overcome this problem by calculating the difference between actual and expected agreement rates. Some scholars argue that this method represents the most widely used measure of inter-judge reliability (Perrault & Leigh, 1989). Content validation requires the creation of a panel of experts that can support concept production and/or coding issues (Graneheim & Lundman, 2004) and promote dialogue among researchers, which will in turn help build consensus as to how the data is categorized. Using these ideas as a guide, we created a four-step strategy that ensures the reliability of our analysis (Bryman & Bell, 2015):

1. *Sample definition*: we defined the full set of reports to be analyzed;
2. *Drafting the coding categories*: we worked on a first draft of the coding categories (see Table 2);
3. *Coding test*: Many tests were conducted on the coding procedure to highlight ambiguous or unclear interpretations of the rules. Each coder performed an independent test of the coding rules through a preliminary content analysis on the same random sub-sample of 20 reports. The results were compared and differences of interpretation were discussed. Reports have been double checked to ensure the reliability of the process (an exception was made when the coder was an expert in a specific language);
4. *Revision of the coding rules and final version*: the pilot test enabled us to fine-tune our various tools and coding procedures, delete useless categories, and add new, more insightful categories. This resulted in a clear and coherent set of detection and classification rules. Another report was analyzed by the entire team in order to synchronize our methods. We then distributed the reports among individual team members, dividing the workload in such a way as to ensure that each member had a chance to analyze reports from a wide variety of organizations, while also taking into account type, dimensions, and sector. This phase of the analysis allowed us to check for coding inter-reliability. Each researcher discussed the results of the analysis with the supervisor. When significant differences were found, the different interpretations were discussed between the junior researcher and the supervisor. This procedure was repeated until a Cohen's K coefficient of inter-reliability of at least 0.8 was obtained between the researcher and the supervisor.

The 299 reports in our study were downloaded from the GRI website, given a unique ID, and their content was manually analyzed. A specific data entry grid was developed in order to support the data collection phase, the coding scheme, and the categorization of concepts. External appendices or secondary reports were not included in the analysis.

Using both GRI guidelines and the scholarly literature on stakeholder engagement disclosure as guides (Gray, 2000; Manetti, 2011; Perrini & Tencati, 2011; Bebbington et al., 2007; Brown, 2009; Brown & Dillard, 2013; Bellucci & Manetti, 2017), we developed our own coding categories, emphasizing the following types of data:

- the general characteristics of the reports;

- the methods used during the stakeholder engagement process: the disclosure of stakeholder engagement methods is required by the G4-26 standard. Analyzing these reports allowed us to identify the most widely-used methodologies (see Table 2);
- the reported categories of engaged stakeholders: the G4-24 standard requires companies to report the main stakeholder groups that have been engaged. The stakeholder categories identified in our analysis support some of the stakeholder engagement reporting schemes proposed by other scholars (Bellucci & Manetti, 2017; 2018; Perrini & Tencati, 2011);
- the features of stakeholder engagement: we relied on the framework proposed by Manetti (2011) and the GRI to identify certain aspects of stakeholder engagement. Three categories are used to detect the presence of DA, including the presence of stakeholder opinions on previous reports (Manetti, 2011), the disclosure of forms of cooperation among different stakeholder groups (Gray, 2000; Bebbington et al., 2007; Brown, 2009; Brown & Dillard, 2013), and the descriptions of difficulties faced in the stakeholder engagement process (GRI G4-27 standard).

Although special emphasis was placed on the stakeholder engagement section, the entire report was subjected to a content analysis. The research team created specific guidelines to code information. These guidelines were based on content and keywords related to the main concepts discussed in each category. A pilot test was conducted to detect unclear rules and standardize the classification strategies of the researchers.

Table 2 lists the data that was produced by our content analysis. Much of it complements the information gathered from the GRI Sustainability Database. Moreover, given the heterogeneity of our sample, we performed a statistical analysis to verify whether size, level of adherence to the GRI G4, and location affect the three main variables that are commonly associated with DA (e.g. disclosure of stakeholder opinions on previous reports, difficulties, and interactions among different stakeholder groups). We ran three different logit models, using several indicator variables (see Appendix 2). Stakeholder opinions, difficulties, and interactions among different groups of stakeholders were used as dependent variables; firm size, industry, and adherence level were used as independent variables. In order to make the analyses more robust, we ran three linear probability models to test the same equations.

Table 2 – List and description of data collected from Content Analysis

Variable label	Description
General info	
Type	Report format (PDF or web-based)
Language	Language in which the report was written
Stakeholder engagement (SE) section	Indicates if there is a specific section devoted to SE
SE role	Indicates the role of SE in the report
Stated methodologies used for SE (GRI G4-26 standard)	
	Indicates if SE is performed through:
Standard procedures	e.g. formal channels, presentation of annual reports
Focus groups	e.g. focus groups and workshops

Interviews	e.g. interviews and other one-to-one procedures
Surveys	e.g. surveys and polls
Meetings	e.g. group meetings, site visits, official meetings
Social media	e.g. social media and networks
Other web app.	e.g. other technological applications
Others	Indicates if different SE methodologies were used
Reported engaged stakeholders (GRI G4-24 standard; Bellucci & Manetti, 2017; Perrini & Tencati, 2011)	
	Indicates if the report presents the following as engaged class of stakeholders:
Shareholders	shareholders and investors
Employees	employees and their representatives (e.g. unions)
Customers	customers
Suppliers	suppliers, contractors, and subcontractors
Government	governments, authorities, and regulators
NGOs	non-Governmental Organizations, members of civil society, and non-profit organizations
Local communities	communities, community members, traditional councils, and community trusts
Others	Indicates if there are other classes of engaged stakeholders included in the report
Stakeholder Engagement	
SE degree (GRI G4-38 and G4-40 standards; Manetti, 2011)	General evaluation of the degree of stakeholder involvement (absent, information, consultation, empowerment)
Stakeholders opinions (Manetti, 2011)	Indicates if stakeholder opinions on previous reports are reported
Stakeholders issue	Indicates if stakeholder issues are reported in the SE section or only in the materiality matrix
Quotations	Indicates if quotations from at least one stakeholder are reported
Cooperation among different stakeholder groups (Gray, 2000; Bebbington et al. 2007; Brown, 2009; Brown and Dillard, 2013)	These forms of cooperation include, but are not limited to multi-stakeholder fora and roundtables with representatives of different stakeholder categories.
SE for materiality	Indicates if it is clearly stated that SE is used for a materiality check
SE guidelines	Indicates if a company decided to follow any specific guidelines for SE reporting beyond those that are included in the GRI
Assurance reported (GRI G4-33 standard)	Indicates if it is reported that an external assurance specifically devoted to SE is in use
Difficulties (GRI G4-27 standard)	Indicates if the report describes the main difficulties faced during the SE process

Level of covering	Indicates the extent to which the SE process was covered in the report (superficial, intermediate, deep)
Pages of SE section	Indicates the ratio between pages dedicated to SE and the entire report.

3.2.2. *Semi-structured interviews*

We used semi-structured interviews in the second part of our analysis in order to draw attention to organizations whose stakeholder engagement disclosures pointed towards potential forms of DA. The phrase “potential forms of DA” refers to practices suggesting that DA is being employed. The presence of DA was then confirmed by interviewing CSR representatives (Solomon & Darby, 2005). Our content analysis allowed us to build a sub-sample of 62 organizations that showed one or more signs of DA, including:

- the organization claims that different groups of stakeholders band together, in either an agonistic or collaborative perspective, to discuss various topics and issues;
- the organization mentions that specific struggles emerged in the relationship between one or more group of stakeholders, while also noting how these difficulties have been addressed;
- the organization discusses stakeholder views on previous versions of the report.

If our content analysis can help us understand *how* companies engage stakeholders and *what* they disclose in sustainability reports about this process, then it is safe to say that the semi-structured interviews allow us to understand *why* companies are interested in DA and how this form of interaction affects stakeholders.. Semi-structured interviews are often used in tandem with quantitative techniques (e.g. content analysis) in order to produce a mixed-methodology approach (Bryman & Bell, 2015). In other words, the qualitative part of our study allowed our research team to collect a vast amount of material that complements the raw data that was gathered and coded during the content analysis stage. Moreover, we wanted to shift focus from the content of sustainability reports to the representatives of organizations that disclosed them. We believed that interviews could lead to deeper analysis of the various organizations that showed signs of employing DA.

We also developed a schedule for these semi-structured interviews that highlighted collaboration among different groups of stakeholders, the management of dissenting views, and the presence of discordant voices. Table 3 presents the main questions included in the interview schedule.

We administered this schedule (via Skype or telephone) to representatives that organizations indicate in their CSR report as referents for corporate responsibility issues (mainly CSR, stakeholder engagement, SES reporting area directors and risk management officers) of 62 organizations that showed signs of DA. When we contacted the organizations, we made sure that all the interviewees were playing a leading role in CSR management, despite having different job titles. Since high-level managers are often quite busy, we followed a two-step procedure that was drawn up by Healey and Rawlinson (1993). This involved writing to representatives of the organizations in our sample to request participation in the study and arrange an interview. We then wrote letters explaining our research and a possible interview schedule. Since “polite persistence” is often crucial in situations like this (Healey & Rawlinson, 1993), a reminder was sent to organizations that did not reply four weeks after the initial correspondence. A total of 16 organizations agreed to be interviewed. We also tested for non-response bias in our sample by examining the differences between responding and non-responding organizations. T-tests indicate that there are no significant differences in size, profitability, and leverage between the two groups (see Table 6 in Appendix 1). The interviews were conducted between April and June 2017, lasting an average of 30 minutes. The shortest interview was 25 minutes; the longest was 35 minutes.

Table 3 - Interview schedule

Main topic	Question
<p>Role and effects of SE</p> <p>(Andriof <i>et al.</i>, 2002; Jones <i>et al.</i>, 2002; Van Huijstee and Glasbergen, 2008; Prado-Lorenzo <i>et al.</i>, 2009)</p>	1. How important is it for your organization to involve stakeholders in defining the contents of the annual report or CSR/Sustainability report?
	2. How important is it for your organization to involve stakeholders in defining corporate strategies?
	3. Why do you think it is important to engage stakeholders?
<p>Role and effects of DA</p> <p>(Gray, 2000; Bebbington <i>et al.</i> 2007; Stirling, 2008; Vinnari and Dillard, 2016)</p>	4. Does the company create opportunities for stakeholders from different groups to cooperate and express their opinions? If so, how?
	5. What is the main goal in creating opportunities for different groups of stakeholders to cooperate and express their opinions?
	6. What kind of impact does the interaction among different stakeholder groups have on corporate strategy?
	7. What kind of impact does the interaction among different stakeholder groups have on the definition of issues, topics, and indicators reported in the CSR/Sustainability report?
<p>How to support DA</p> <p>(Brown, 2009; Söderbaum, P. and Brown, J., 2010; Brown and Dillard, 2013; Manetti and Bellucci 2016)</p>	8. Who is primary responsible for promoting interaction among different stakeholder groups?
	9. Can you describe the channels that are used to account for interaction among different stakeholder groups, and how stakeholders are selected and convened?
	10. Does your organization make use of photos and/or other visual material in order to involve stakeholders from different cultures or linguistic domains?
	11. What are the main costs and benefits of promoting interaction among different groups of stakeholders?
<p>Managing dissenting views and further evolution of DA</p> <p>(Brown, 2009, p. 330; Dillard and Roslender, 2011; Dillard and Yuthas, 2013; Vinnari and Dillard, 2016)</p>	12. How do you think your relationship with stakeholders will change in the future?
	13. How do you respond when “discordant opinions” from (or among) different stakeholders are detected?
	14. Does your organization report on dissenting views in the annual report or CSR/Sustainability report?
	15. How does your organization respond to dissenting views when they arise?
16. What are the most common reasons for ending dialogue on an unresolved issue with a stakeholder or a group of stakeholders?	

Our primary questions focused on why the organization is interested in engaging stakeholders, what opportunities exist for different stakeholders to cooperate, the impact on strategies and costs of stakeholder interaction, and how the organizations manage dissenting views and discordant opinions. Answers were coded and then used to verify, complement, and build upon the quantitative results that emerged via the content analysis.

In order to assure the validity of these interviews, the schedule was approved by two external senior researchers who assessed the neutrality of the questions. Our research goals were explained to the interviewee in detail before the interview began. The authors personally carried out the interviews. They then discussed their findings, determining the reliability and trustworthiness of the research by reviewing the interview transcripts and interview field notes, thus making the data collection method dependable and traceable (Bianchi & Andrews, 2015). Answers were then transcribed and coded according to our specific research goals. We followed McCracken’s analytic method, which was inspired by the open, axial, and selective coding steps associated with grounded theory (Strauss & Corbin, 1998), many of which presume that the researcher has used one or more theoretical frameworks while developing his or her data analysis process and research questions (McCracken, 1988). The authors read and reviewed each interview transcript twice, adding several comments and observations. This material was then used to create preliminary descriptive and interpretive categories. The authors examined these preliminary categories in order to identify connections and basic themes. All of the themes that showed up in our interviews were examined in order to delineate the most prominent themes in the data.

Our use of both quantitative content analysis and qualitative semi-structured interviews led to the findings discussed in Section 4, thus contributing to our understanding of how stakeholder engagement and SES reporting can serve as vehicles of DA.

4. Results

The results of our content analysis provide insight into various aspects of the stakeholder engagement process. We tried to determine whether or not stakeholder engagement activities are included in a dedicated section of the report, the aims and scope of these activities, how they are performed, and who the recipients of these activities are. In order to assess the potential signs of DA, we also investigated the presence of stakeholder opinions in previous reports, discussions of difficulties that were faced when engaging stakeholders, and discussions of initiatives that were aimed at promoting interaction among different groups of stakeholders. The results of the content analysis are summarized in Table 4.

Table 4 - Content analysis results and Chi-square comparisons

			DA	Non-DA
Specific section for SE	N.	%	%	%
<i>Are the themes related to SE presented in a dedicated section?</i>				
• Yes	252	84.28%	98.39%	80.59%
• No	47	15.72%	1.61%	19.41%
• Undeclared	0	0.00%	0.00%	0.00%
<i>Total</i>	299	100.00%	100.00%	100.00%
			Chi-squared = 11.75 <i>P</i> = 0.001***	
Claimed role of SE	N.	%	%	%
<i>What are the aims of SE-related activities?</i>				

<ul style="list-style-type: none"> • Strategic objectives • Content of the report • Both • No reference • Other • Undeclared 	<p>69 23.08%</p> <p>94 31.44%</p> <p>109 36.45%</p> <p>23 7.69%</p> <p>3 1.00%</p> <p>1 0.33%</p> <p><i>Total</i> 299 100.00%</p>	<p>19.35% 24.05%</p> <p>19.35% 34.60%</p> <p>61.29% 29.96%</p> <p>0.00% 9.70%</p> <p>0.00% 1.27%</p> <p>0.00% 0.42%</p> <p>100.00% 100.00%</p>	
		Chi-squared = 24.40 <i>P</i> = 0.000***	
SE Methodologies	N.	%	
<i>How do companies interact with stakeholders?</i>			
<ul style="list-style-type: none"> • Standard procedures (e.g. annual report presentations, consumer hotlines, bulletins, and newsletters) • Focus groups • Interviews • Surveys • Meetings • Social media • Other web apps (e.g. mobile applications, dedicated websites) • Other 	<p>241 78.25%</p> <p>97 31.49%</p> <p>152 49.35%</p> <p>215 69.81%</p> <p>251 81.49%</p> <p>144 46.75%</p> <p>144 46.75%</p> <p>161 52.27%</p>		
All key stakeholders engaged	N.	%	% %
<i>Are all the groups that are identified as key stakeholders actually engaged?</i>			
<ul style="list-style-type: none"> • Yes • No • Undeclared 	<p>192 64.21%</p> <p>89 29.77%</p> <p>18 6.02%</p> <p><i>Total</i> 299 100.00%</p>	<p>69.35% 62.87%</p> <p>27.42% 30.38%</p> <p>3.23% 6.75%</p> <p>100.00% 100.00%</p>	
		Chi-squared = 1.48 <i>P</i> = 0.477	
Key stakeholders	N.	%	
<i>Who are the company's key stakeholders?</i>			
<ul style="list-style-type: none"> • Shareholders • Employees • Customers • Suppliers • Governments • NGOs • Local communities • Media • Other 	<p>258 83.77%</p> <p>279 90.58%</p> <p>272 88.31%</p> <p>254 82.47%</p> <p>241 78.25%</p> <p>181 58.77%</p> <p>243 78.90%</p> <p>139 45.13%</p> <p>189 61.36%</p>		
Degree of involvement	N.	%	% %
<i>To what extent are stakeholders engaged?</i>			
<ul style="list-style-type: none"> • Empowered (<i>proactive role of stakeholders, delegated decision-making power, and appointment of representatives in the governing bodies</i>) 	<p>34 11.37%</p>	<p>20.97% 8.86%</p>	

<ul style="list-style-type: none"> • Consulted (<i>consultation, monitoring, and information gathering</i>) 	214	71.57%	67.74%	72.57%
<ul style="list-style-type: none"> • Informed (<i>simple information, one-way dialogue, and no opportunity for SE to influence decisions</i>) 	37	12.37%	9.68%	13.08%
<ul style="list-style-type: none"> • Absent 	14	4.68%	1.61%	5.49%
<i>Total</i>	299	100.00%	100.00%	100.00%
Chi-squared = 8.52 <i>P</i> = 0.036**				
Stakeholder perceptions	N.	%		
<i>Are stakeholder perceptions of previous reports discussed?</i>				
<ul style="list-style-type: none"> • No 	287	95.99%		
<ul style="list-style-type: none"> • Only positive 	10	3.34%		
<ul style="list-style-type: none"> • Only negative 	0	0.00%		
<ul style="list-style-type: none"> • Both 	2	0.67%		
<i>Total</i>	299	100.00%		
Stakeholder issues	N.	%	%	%
<i>Are stakeholder issues reported in the SE section or the materiality matrix?</i>				
<ul style="list-style-type: none"> • Yes 	129	43.14%	54.84%	40.08%
<ul style="list-style-type: none"> • No 	170	56.86%	45.16%	59.92%
<i>Total</i>	299	100.00%	100.00%	100.00%
Chi-squared = 4.36 <i>P</i> = 0.037**				
Quotations	N.	%	%	%
<i>Are the stakeholders' impressions of the organization reported?</i>				
<ul style="list-style-type: none"> • No 	233	77.93%	61.29%	82.28%
<ul style="list-style-type: none"> • Yes, only positive 	60	20.07%	32.26%	16.88%
<ul style="list-style-type: none"> • Yes, only negative 	0	0.00%	0.00%	0.00%
<ul style="list-style-type: none"> • Yes, both 	6	2.01%	6.45%	0.84%
<i>Total</i>	299	100.00%	100.00%	100.00%
Chi-squared = 16.27 <i>P</i> = 0.000***				
SE for materiality	N.	%	%	%
<i>Is SE activity explicitly addressed in the materiality assessment?</i>				
<ul style="list-style-type: none"> • Yes 	246	82.27%	88.71%	80.59%
<ul style="list-style-type: none"> • No 	53	17.73%	11.29%	19.41%
<i>Total</i>	299	100.00%	100.00%	100.00%
Chi-squared = 2.22 <i>P</i> = 0.136				
Guidelines	N.	%	%	%
<i>Does an organization follow specific guidelines for SES preparation?</i>				
<ul style="list-style-type: none"> • AA1000SES 	81	27.09%	30.65%	26.16%
<ul style="list-style-type: none"> • AA1000APS 	1	0.33%	1.61%	0.00%

• No	217	72.58%	67.74%	73.84%
<i>Total</i>	299	100.00%	100.00%	100.00%
Chi-squared = 4.44 <i>P</i> = 0.109				
Difficulties met with stakeholders	N.	%		
<i>Does the organization report on any problems or difficulties in the SE activity?</i>				
• Yes	30	10.03%		
• No	269	89.97%		
<i>Total</i>	299	100.00%		
Level of coverage	N.	%	%	%
<i>How deep is the insight about SE activities in the report?</i>				
• Deep	47	15.72%	25.81%	13.08%
• Intermediate	169	56.52%	62.90%	54.85%
• Superficial	73	24.41%	11.29%	27.85%
• Not at all	10	3.34%	0.00%	4.22%
<i>Total</i>	299	100.00%	100.00%	100.00%
Chi-squared = 13.76 <i>P</i> = 0.003***				
Cooperation among different stakeholder groups	N.	%		
<i>Does the organization disclose information about events that encourage interaction among different groups of stakeholders?</i>				
• Yes	41	13.71%		
• No	258	86.29%		
<i>Total</i>	299	100.00%		

Notes:

° results of the comparisons for the categories “Stakeholder perceptions”, “Difficulties met with stakeholders” and “Cooperation among different stakeholder groups” are omitted because those categories were used to define companies that show signs of dialogic accounting (DA) from the others (non-DA). We did not assess chi-square for the items with non-mutually exclusive coding categories (“SE methodologies” and “Key stakeholders”).

4.1 Stakeholder engagement practices in SES reports

GRI guidelines recommend that stakeholder engagement activities be disclosed in a specific section of the report. Our content analysis shows that 84.28% of the organizations in our sample meet this criterion. A separate section dedicated to stakeholder engagement makes the report more significant and material, and the communication of stakeholder engagement more effective.

23.08% of the companies in our sample state that stakeholder engagement allows the organization to define strategic objectives, while 31.44% of the organizations claim that it helps them prepare the report itself. 36% of the organizations in our sample, however, state that stakeholder engagement is useful for both meeting strategic objectives and preparing the report.

GRI principle G4-26 requires a description of the approaches that are used when an organization engages with stakeholders. We looked for descriptions of the tools used by the sample organizations. Our results show that the most common methods are meetings (81.49% of the organizations use this method), followed by bulletins and newsletters, annual reports, and/or consumer hotlines (78.25%), and surveys (69.81%). While these methods imply a one- or two-way communication approach between organizations and their stakeholders, meetings can be used to facilitate interactions among different groups of stakeholders, thereby acting as a DA tool. The organizations in our study also make use of interviews (49.35%), social media (46.75%), and web apps (46.75%), while focus groups (31.49%) are the least utilized tool in stakeholder engagement, which is probably due to higher costs per stakeholder. Other methods include sponsored sports events, conferences and seminars, training days, and supplier audits.

GRI principle G4-25 requires that organizations disclose the groups of stakeholders that are included in the stakeholder engagement process. Three organizations did not share this information, and one organization identified just one group of stakeholders. The rest of the organizations in our sample, however, engaged with two or more groups of stakeholders. Indeed, the vast majority of organizations in our sample reach out to employees (90.58%), customers (88.31%), shareholders (83.77%), suppliers (82.47%), local communities (78.90%), and governments (78.25%) in their SES reports. NGOs, meanwhile, are addressed by 58.77% of the organizations, while only 45.13% of organizations treat the media as stakeholders. Universities and research centers, trade unions/associations, competitors, professional institutions, and opinion leaders are addressed in 61.36% of the SES reports examined here.

In terms of the degree of stakeholder involvement, 11.37% of these reports feature stakeholder representatives that are part of a commission or a board. This type of stakeholder involvement was deemed “empowered” in our study, as it featured proactive roles for certain stakeholders, delegated decision-making power, and appointment of representatives in governing bodies. The most common situation—which was found in 71.57% of the organizations in our study—involved two-way communication with stakeholders, without necessarily involving them in any commission. The word “consulted” was used to describe this level of stakeholder involvement because it featured significant amounts of consultation, monitoring, and information gathering. The residual cases involve one-way communication between organizations and their stakeholders (12.37% of cases) or a complete absence of involvement (4.68%). These results show that most of the organizations actively engage with stakeholders and are willing to receive feedback from them, even if only a few organizations provide stakeholders with the means to directly influence corporate decisions.

In order to assess the coverage levels of these reports, we must understand the extent to which organizations describe the stakeholder engagement activities they purport to embrace. The results of our study show heterogeneous coverage levels. We detected superficial levels of coverage in 24.41% of cases (i.e. poor coverage of the stakeholder engagement process), intermediate levels in 56.52% of cases (i.e. crucial information is included, such as engaged stakeholders and preferred methodologies), and deep coverage levels in 15.72% of the

companies (i.e. full explanation of the stakeholder engagement process and the inclusion of a wide variety of data).

4.2 Potential signs of DA

We paid special attention to certain practices that signal the presence of DA, focusing on three specific dimensions in SES reports. The first dimension is the presence of stakeholder opinions in the report. This is a tool that gives stakeholders a voice in the organization, allowing them to express both supporting and dissenting views. This could also foster debate among stakeholders on issues related to a firm's activities (Brown & Dillard, 2015).

The second dimension is the disclosure of difficulties faced by an organization during the stakeholder engagement process. Of course, we are aware that organizations have few incentives to discuss bad news, as legitimacy theory suggests that organizations will only disclose positive information in order to legitimize their actions. Indeed, there is evidence to suggest that organizations rarely release bad news voluntarily (Verrecchia, 1983; Dye, 1985; Verrecchia, 2001; Prencipe, 2004; Kothari et al., 2009).

The third dimension concerns information about the methods and mechanisms that are used to encourage interaction among different groups of stakeholders, even those who adopt a divergent or agonistic perspective. These practices are the basis of democratic interaction (Medawar, 1976; Gray, 1997; Boyce, 2000; Gray & Bebbington, 2001; Dey, 2003; Brown, 2009) and are capable of enhancing our understanding of stakeholder engagement and fostering agonistic pluralism (Mouffe 1995, 2000, 2005, 2013). This could in turn pave the way for DA to emerge (Thomson & Bebbington, 2005; Bebbington et al., 2007; Frame & Brown, 2008; Brown, 2009; Blackburn et al., 2014; Brown et al., 2015).

In order to account for the heterogeneity of the sample, we tested for the effects of size, location, and level of adherence to GRI-G4 standards on the disclosure of elements associated with DA. The results (see Table 7 in Appendix 2) indicate that there is only a weak effect associated with adherence levels, as it involves the disclosure of interactions among different groups of stakeholders. The other coefficients are not significant, so we can state that size and location do not influence DA practices, while level of adherence to GRI only weakly influences DA. We then tested the same equations using linear probability models, which found that size had a slight effect on stakeholder perceptions and cooperation among different stakeholder groups (see Table 8 in Appendix 2). Overall, we can say that characteristics like size, GRI adherence level, and location don't influence DA practices in a significant manner. However, these findings could be shaped by the fact that few companies actually show signs of DA.

a) Inclusion of stakeholder opinions in the SES reports

Stakeholder opinions on previous SES reports are not disclosed in 95.99% of the reports analyzed here. And in 9 out of 11 cases where stakeholder perceptions are disclosed, the opinions are positive. However, there is evidence of both positive and negative opinions in the other two cases. Here is an example of a report that features a discussion of stakeholder opinions:

...in 2012, ten of our main clients and analysts were interviewed for a Master's thesis on our sustainability reporting, which indicated that although our stakeholders were satisfied with our reporting, they wished for more information on sustainability targets, costs and product life cycles. (Cargotec 2015 sustainability review)

The absence of these types of statements could be due to the fact that organizations have few incentives to include stakeholder opinions in their reports—especially negative opinions.

b) Statement on difficulties in stakeholder engagement

Our findings show that 30 out of 299 organizations report on the difficulties they encountered while engaging with stakeholders. Here is an example of this phenomenon:

While our internal policies are targeted at conflicts prevention, our relations with diverse stakeholders at times generate unavoidable friction and difference in opinions. (Zenith Bank plc 2015 sustainability report)

The tendency to avoid reporting on this type of information could be due to a general reluctance to disclose dissenting views or bad news (Verrecchia, 1983; Dye, 1985; Verrecchia, 2001; Prencipe, 2004; Kothari et al., 2009). Even though the GRI challenges companies to disclose both positive and negative information, some scholars have shown that corporate sustainability reports rarely feature voluntary disclosure of negative information (Deegann & Rankin, 1996; Lougee & Wallace, 2008).

c) Interaction among different stakeholder groups

Our results show that 41 organizations in our sample (13.71%) disclose information about the methods/mechanisms they use to foster interaction among different groups of stakeholders. The most common initiatives are multi-stakeholder forums and meetings where representatives from different stakeholder groups are given opportunities to discuss their concerns. Here is a description of one of these events:

We also arrange strategic events and initiatives, such as the Volvo Group Sustainability Forum, that brings together stakeholders from different groups. (Volvo Group 2015 annual report)

The organizations that are identified as potentially embracing DA have been subjected to an in-depth analysis in order to shed light on the effects of their stakeholder engagement activities and explain why creating dialogue among stakeholders has been encouraged.

4.3 In-depth analysis of DA practices

Ultimately, 62 organizations were identified as potentially embracing DA. These organizations included stakeholder opinions, statements on difficulties in stakeholder engagement, and/or information on interaction among different stakeholder groups in their SES reports. We performed two separate analyses in order to zero in on the specific practices adopted by organizations that engaged in DA. The first step was to compare the reports from organizations that engaged in stakeholder engagement with the reports that were released by the remaining organizations in our sample. The goal here was to verify whether companies that show signs of DA are more likely to engage with their stakeholders and disclose stakeholder engagement practices than companies that don't engage in DA. To make this comparison, we divided our sample into two sub-samples—one composed of the 62 companies that show signs of DA, and another composed of the companies that didn't. In order to determine whether or not the differences in the values of our nominal variables across the two sub-samples are statistically significant, we used Pearson's chi-squared test (see Table 4). The chi-squared test allows us to assess if the differences in the proportions of categorical data between two groups are significant.

We found that the 98.39% of the organizations identified as potentially embracing DA dedicated a specific section of their report to stakeholder engagement, compared to 80.59% of the remaining companies ($p = 0.001$). We also found that these organizations were more likely to claim that stakeholder engagement contributes to both the company's strategic objectives and the contents of their reports. 61.29% of companies in the subsample address both aspects,

compared to only 29.96% of the remaining companies ($p = 0.000$). These results seem to confirm the important role played by stakeholder engagement activities and stakeholder engagement communication among organizations that encourage interaction with (and between) stakeholders. Our results also show that organizations that seem to embrace DA often feature “empowered” stakeholders that are more likely to be given positions on the board or on commissions. 20.97% of the companies that showed signs of DA featured “empowered” stakeholders; 67.74% featured “consulted” stakeholders; and 9.68% featured “informed” stakeholders. Meanwhile, 8.86% of the remaining companies featured “empowered” stakeholders; 72.57% featured “consulted” stakeholders; and 13.08% featured “informed” stakeholders. The significance of these differences was 0.036.

Entities that embrace DA are also more likely to address stakeholder issues outside the materiality check analysis (54.84% of the companies in the subsample, compared to 40.08% of the other companies; $p = 0.037$) and include quotations from stakeholders in their reports (38.71% of the companies that show signs of DA, compared to 17.72% of the other companies; $p = 0.000$). We also found a significant difference between the two groups in terms of the likelihood of finding either deep or intermediate coverage levels. Among the organizations that showed signs of embracing DA, deep coverage levels were found in 25.81% of the cases, compared to 13.08% among organizations that didn’t embrace DA. Meanwhile, intermediate coverage levels were found in 62.90% of organizations that seemed to embrace DA, against 54.85% of organizations that didn’t embrace DA ($p = 0.003$). We did not find significant differences between the two groups when all stakeholders are actually engaged. 69.35% of companies that show signs of DA engage all key stakeholders, compared to 62.87% of the other companies. The chi-squared test revealed that this difference was not significant ($p = 0.477$). Finally, we did not find significant differences in the number of cases where stakeholder engagement is addressed in the materiality check. 88.71% of companies that show signs of DA address stakeholder engagement for materiality, compared to 80.59% of the other companies. This difference was not significant ($p = 0.136$).

The results presented above show that the numbers associated with reports that dedicate a specific section to stakeholder engagement, the indication of stakeholder engagement as both a tool to formulate strategic objectives and prepare the report, the presence of stakeholder issues discussed outside the materiality check section, the presence of quotations from stakeholders, the presence of empowered stakeholders in an organization, and cases involving deep or intermediate levels of coverage are significantly higher among organizations that were identified as having signs of DA. These entities seem to give stakeholders more opportunity to express themselves, while also using SES reporting to emphasize the importance of stakeholders.

The second step of our in-depth analysis involved interviewing representatives from the 62 organizations that were identified as adopting some form of DA. This was done in order to understand why companies adopt DA practices and how this form of interaction affects stakeholders. A total of 16 organizations agreed to be interviewed (see section 3.2.2 for more details). Fourteen of these companies are privately owned, one is a public institution, and another is a subsidiary. Table 5 shows the country and sector in which each organization operates, as well as the various job titles of the representatives who were interviewed.

Table 5 - Country, sector, and role of interviewees

ID	Role	Country	Sector
01	Chief Sustainability Officer	Jordan	Logistics
02	Corporate Responsibility Department	Luxembourg	Financial Services
03	Corporate Sustainability Center	Hungary	Telecommunications

04	Assistant Corporate Sustainability Reporting and Communication Project Manager	Germany	Textiles and Apparel
05	Sustainability Officer	Switzerland	Technology Hardware
06	Manager of Standards, Environment and Responsibility	Italy	Financial Services
07	Sustainability Team	Finland	Forest and Paper Products
08	CSR Officer	Austria	Energy
09	Project Officer	Sweden	Automotive
10	Group Risk Manager	Pakistan	Chemicals
11	Corporate and Digital Communication Manager	Australia	Metals Products
12	Director of Environment Unit	Thailand	Real Estate
13	Project Manager	Greece	Banking
14	Group CSR Specialist	Italy	Healthcare Products
15	Sustainability Officer	Greece	Construction Materials
16		Germany	Automotive

Our findings provide insight into the various stakeholder engagement and DA practices that were identified in our content analysis. We divided our findings into five areas: a) role and effects of stakeholder engagement; b) role and effects of DA; c) how to support DA; d) managing dissenting views; and e) further evolution of stakeholder engagement and DA.

a) *Role and effects of stakeholder engagement (questions 1-2-3 of the interview schedule)*

All of the companies confirm the importance of stakeholder engagement and emphasize their attempts to build collaborative relationships with key stakeholders. The respondents also claim that it is important to involve stakeholders in the organization. Interview data seems to confirm that both organizational strategies and the contents of these types of disclosure must meet stakeholder demands. Indeed, our content analysis shows that companies that adopt DA practices often stress the dual role of stakeholder engagement in their strategy and materiality development. According to ID10,

Stakeholders' engagement helps in understanding their concerns and expectations. It also helps in determination of material topics for our sustainability report leading to input in strategy formulation.

In other words, the answers provided by our interview subjects often emphasize the importance of stakeholder engagement. On the one hand, stakeholder engagement is significant because it helps strengthen relationships and encourage collaboration—because stakeholders are affected by the company’s activities and can influence its success or failure. On the other hand, stakeholder engagement is necessary in order to encourage companies to respond to stakeholder needs and understand/consider their expectations. On a related note, stakeholder engagement is also important because it often provides opportunities for creating strategic advantages on specific issues and contributes to more successful project outcomes. Of course, different actors are often consulted for different reasons. For instance, consumers might be consulted to improve product development; intermediates might be consulted to further the partnership creation process; and local communities might be consulted to enhance a company’s legitimacy. Nevertheless, our interviews suggest that stakeholder engagement is perceived as a fundamental tool in strengthening a company’s relationship with its stakeholders.

b) Role and effects of DA (4-5-6-7)

All of the companies we contacted claimed to have adopted DA practices, thereby creating opportunities for stakeholders from different groups to cooperate and express their opinions. Although it is up to individual companies to determine how often they engage in dialog with their stakeholders, ID9 declared that

The most important dialogue is done in daily interaction between our employees and customers, suppliers, investors (...). We do so on a regular basis and in a variety of ways. Major policies and strategies creation and update include a public consultation of different groups of stakeholders which participate together to physical meetings with presentations, discussion fora, round tables, workshops, webinars and/or debates.

Other companies organize specific events related to stakeholder engagement, such as the Sustainability Roundtable Discussions that were organized by a Hungarian telecommunications company. According to ID3, these roundtable discussions consist of

one-day events that (...) provide space for open dialogue with our stakeholders, to learn about their expectations, discuss the problems raised, opening platform for negotiation, joint thinking and cooperation in building a sustainable future.

The majority of respondents declared that they are willing to create dialogic opportunities in order to strengthen their relationship with stakeholders, that they are involved in the development of materiality checks that are geared towards sustainability reporting, and that they provide useful information for defining their various business strategies. However, DA practices aren't often used to mitigate discordant opinions and develop new alliances. Indeed, stakeholder dialog is most often used to assess risk and recognize potential opportunities. ID6 declares that

Public consultations create opportunities for debate not only between the company and its stakeholders, but also amongst the stakeholders themselves. Such debates are very fruitful for the company and for developing strategies and policies, as they allow a better understanding of the need and expectations of our stakeholders. Additionally, these interactions can be occasions for the set-up of think tanks.

DA is also a useful tool for defining the various issues, topics, and indicators that are often found in SES reports. ID2 states that

The result of these interactions provides us with different points of view that will enrich the reporting process and help in defining the issues that are of a concern to our stakeholders either positively or negatively.

c) How to support DA (8-9-10-11)

Interaction among different stakeholder groups is dependent on the contribution of various actors. Companies rely on CSR/Sustainability/Communication representatives to promote DA practices and initiatives; these representatives are often supported by other figures, including CEOs, members of the Board, external consultants, and employees who specialize in investor relations, marketing, human resources, risk management, and business development. For instance, ID3 clearly explains the roles different employees play and the process involved in adopting DA:

The Management Committee keeps contact with the stakeholders (e.g. General Meeting) through the Group Sustainability Coordination Council (GSCC). Incoming inquiries are received by the respective professional areas and critical comments regarding sustainability are transferred to the responsible staff members by the GSCC members. According to the relevant group directive, the strategic tasks are allocated to the respective Chief Officers. 50% of the bonuses of Chief Officers depend on the performance of collective objectives.

Companies often use several different channels while establishing and maintaining contact with various stakeholder groups. The majority of companies identify important stakeholders by considering groups or individuals that are significantly affected by the organization's business activities, outputs, or outcomes, or whose actions can be expected to significantly affect the organization's ability to create value over time. The stakeholders are profiled, mapped, and prioritized based on factors of influence, responsibility, proximity, dependency, willingness to engage with the company, and representation. ID4 describes how stakeholders are selected:

All suppliers from the respective region are encouraged to participate. Participants are convened via email from our Head of Corporate Sustainability and the regional supply chain manager. Participants are selected based on the issues faced in regards to sustainability throughout the year and the potential challenges that might be faced in the near future, which might have an impact on the sustainability goals achievement or will be of relevance in general. On the other hand, participants are chosen to ensure that representatives from all relevant groups are represented; both internals (innovations, sourcing, design department, employee representative) and externals (social NGOs, environmental NGOs, academia, other brands and industry initiatives) participants are convened throughout the year in both informal and formal ways.

Specific instruments might be necessary in order to help companies reach certain stakeholders and reduce obstacles that come about due to cultural and linguistic differences. According to some scholars (Brown, 2010; Brown & Dillard, 2013a, 2013b), DA encourages experimentation with new forms of accounting and reporting by using previously ignored material, such as art, photography, and other types of images. Although these approaches can be helpful in expanding the scope of various accounting processes, few of them are used by the accounting profession (Brown & Dillar, 2014). Regardless, adopting these new visual instruments allows companies to communicate their activities to a wider group of interlocutors and receive a broader range of feedback in a dialogic perspective. Out of the 15 companies included in this sample, only two tried to remedy their communication difficulties through these types of alternative instruments. As ID4 notes,

We translate the annual Business Review and Sustainability Report into Lao language for our key stakeholders in Laos. The report is also tailored to these stakeholders, employing more visuals to assist with messaging. Reports include extensive photographs that convey meaning to stakeholders on a wide range of material issues.

In this specific case, the company doesn't seem to take advantage of improving SES reporting methods. Surprisingly enough, most companies don't pay much attention to this issue, even though developing new DA practices isn't particularly costly. ID1, for instance, claims that

There are not so many costs since this is built in the business process and catered for as a main source of information.

This statement draws attention to the various benefits of DA, including its value in gaining the trust of stakeholders and providing opportunities for collaboration. Indeed, most of the DA-related costs identified by companies are associated with organizing DA events.

d) Managing dissenting views (13-14-15-16)

DA is seen as an innovative means of improving reporting efficacy. In fact, disclosing dissenting views in SES reports can stimulate debate, while also making room for alternative points of view. However, including dissenting views in reports can also generate fears about the loss of legitimacy (Verrecchia, 1983; Dye, 1985; Verrecchia, 2001; Prencipe, 2004; Kothari et al., 2009). Nonetheless, half of the companies interviewed for our study claim to have included dissenting views in their SES reports in order to improve the company's reputation. This can be explained by noting that disclosing discordant opinions demonstrates the company's willingness to consider multiple points of view.

Managing opposing views also requires that companies define the manner in which they address issues raised by dissenting stakeholders. Indeed, these issues could be seen as either a threat or an opportunity. According to ID11,

Sometimes it is possible to engage in a fruitful dialogue and either the company or our stakeholder will modify its position making the initial dissenting views an opportunity. Sometimes, an agreement cannot be reached but understanding the causes of this impossibility can be a positive outcome for the future.

The majority of respondents in our study confirm that the organization and its stakeholders try to find a compromise whenever discordant opinions arise. In fact, companies are reluctant to impose their points of view or ignore conflict when minor issues are involved. When discordant stakeholders are not willing to cooperate anymore, the dialog usually draws to a close. However, companies often try to avoid this option, preferring instead to reach a compromise with stakeholders whenever possible. For instance, ID7 claims that

the target is to get all issues resolved. Only in case it is a minor or even non-issue where the stakeholder is not willing to cooperate at all ending a dialogue could be considered.

e) Further evolution of DA (12)

The various representatives who were interviewed for this project are unanimous about the future of DA practices and the growing role of stakeholders. Interaction with stakeholders is of great importance for the future of most companies, and relationships with stakeholders will only deepen in the future. The sheer number of stakeholders should grow as companies move into new jurisdictions, as will their expectations. As a result, companies might decide to place greater emphasis on innovation in order to ensure economic stability and solve societal problems in a sustainable manner. ID8 sums it up nicely:

We predict an increasing demand towards sustainable corporate operations, which we are dedicated to live up to. Therefore, we are going to rely on the results of our stakeholder engagement processes even more.

5. Conclusions

The impact of dialogic interactions in SES reporting is under-researched and warrants closer attention. Despite the importance of stakeholders (Donaldson, 2002) and the various activities that are used to secure their input, stakeholder engagement is still an under-theorized area of study (Greenwood, 2007). Many accounts focus on the attributes of organizations or the attributes of stakeholders, rather than the actual relationships that have emerged between organizations and stakeholders (Greenwood, 2001, 2007; Frooman, 1999). Perhaps more importantly, the features and effects of dialogic interactions are rarely discussed in the scholarly literature.

Our study sheds light on these issues by pointing out how SES reporting serves as a vehicle of DA, while also addressing the role of stakeholder engagement in defining the contents of these reports. In order to accomplish this, we studied 299 GRI G4 sustainability reports, paying particular attention to the reported features of the stakeholder engagement process. We also complemented the results obtained from our content analysis with in-depth semi-structured interviews of representatives from organizations whose SES reports show signs of DA.

The results of our research enable us to reach some conclusions on: a) the various features of stakeholder engagement processes; b) the practices that can be used to facilitate stakeholder dialogue and include dissenting views through systems of DA; and c) why organizations are interested in DA and its effects on the organization, its stakeholders, and its strategies.

We found that organizations usually dedicate a specific section to stakeholder engagement, oftentimes stating that it is useful for both defining strategies and defining the materiality of the information included in the report. A majority of organizations claim that they are willing to create a dialogue with stakeholders by relying on various methods—such as meetings and surveys—that enable stakeholders to provide feedback and reply to inputs provided by the organizations. This is in line with research that sees stakeholder engagement not as a means of mitigating the expectations of shareholders, but as the creation of a network of mutual responsibility (Andriof et al., 2002). However, although stakeholders appear to support the decision-making process by providing opinions and feedback, they are rarely ever directly empowered by being appointed to boards or commissions.

We highlighted cases where stakeholder engagement included parties and externalities that have traditionally been excluded from this process, thus reflecting the pluralistic expression of the public interest (Vinnari & Dillard, 2016). Most of the organizations in our sample address several different types of stakeholders. This vast array of interests reinforces, at least on paper, one of the core principles of DA: the need to reject universal narratives in favor of strategies that accommodate a wider variety of perspectives (Vinnari & Dillard, 2016; Brown, 2009).

Our findings seem to confirm that organizations that create SES reports are also willing to engage stakeholders in a dialogue that flows in more than one direction. However, the degree to which stakeholders can actually broaden traditional forms of accounting is still discretionary and varies from organization to organization. Nonetheless, it is evident that SES reporting is a suitable platform upon which systems of DA can develop on top of existing stakeholder engagement processes, thus creating new streams of data from unconventional sources, including social media (Manetti & Bellucci, 2016; Bellucci et al., 2019) and dissenting members of local communities. If an organization is truly willing to conduct effective stakeholder engagement, then DA could act as a more comprehensive accounting framework that supports decision-making processes and dialogue. Accordingly, the dialogic dimension of accounting represents a key means of managing the decisions and continuous changes that organizations face on a regular basis (Perret, 2003), which in turn provides individual stakeholders with a voice in the company,

We also studied the smaller fragments of DA that emerged in our sample of organizations. At the core of DA is an emphasis on the effective participation of a diverse array of actors, be it in a convergent or agonistic perspective. The DA literature has valorized the concepts of deliberative–agonistic democracy (Brown 2009; Brown & Dillard 2013a, 2013b; Brown et al., 2015) and authentic engagement processes (Bebbington et al., 2007) in order to illustrate the agreements and disagreements that often emerge among various actors (Passetti et al., 2017).

An explicit goal of DA is to compare multiple/conflicting viewpoints, rather than settle on a single perspective (Leach et al., 2010; Stirling, 2008). In order to detect signs of DA, we focused on the opinions of stakeholder representatives in the report, the disclosure of difficulties met by organizations during the stakeholder engagement process, and the presence of mechanisms that are used to encourage interaction between different groups of stakeholders. Our results suggest that the opinions of stakeholders on previous SES reports and the difficulties met during the stakeholder engagement process are rarely disclosed. This could be due to the fact that companies have few incentives to report negative opinions or provide details as to how the stakeholder engagement process may have failed. However, a small group of organizations do provide opportunities for different groups of stakeholders to interact and cooperate through multi-stakeholder forums and meeting places. These venues could serve as excellent spaces for allowing different actors to contribute to a more dialogic brand of accounting.

In order to figure out why organizations are interested in DA and assess the effects of this type of interaction on the organization, its stakeholders, and its strategies, we made use of semi-structured interviews that complemented data from our content analysis. We analyzed the effects of stakeholder engagement and DA, the elements that foster a system of DA, how to manage dissenting views, and what organizations think about the further development of stakeholder engagement and DA processes. Our interviews confirm the agonistic perspective of DA, reinforcing the notion that different points of view enrich the reporting process and often create important opportunities for the company, even if a consensus is not reached. Our interview material is also interesting in a practical sense. After all, if companies unanimously agree that engaging stakeholders in a framework of DA will lead to growth, then it is important to recognize the need to develop tools that can assess the quality—and authenticity—of these processes, while placing special emphasis on each step of the SES reporting process.

Critical accounting theory has its roots in social critique and praxis, and initially arose from research on historical materialism and political economy. Since critical accounting research aims to enhance economic, social, and environmental justice through democratic institutions and processes, many researchers in this field have tried to emphasize the need for more effective political action (Dillard & Vinnari, 2017, p. 89). Of course, DA fits this criterion by enhancing participation, sharing, and interaction, and giving voice to stakeholders, especially those who express dissenting views in an agonistic perspective. Thus, DA can encourage critical understanding and foster economic, environmental, and social change, which could provide researchers and practitioners with the opportunity to explore new paths of research in the accounting field.

In short, our study suggests that the dialogic orientation of the organizations included in our study is fragmented. Fully developed frameworks of DA, even in the context of SES reporting, are still rare or unreported. However, signs of change on this front emerged in both our content analysis and interviews. Indeed, our analysis confirms that stakeholder engagement processes and SES reporting represent viable and powerful platforms upon which DA can develop. Our study also provides some insight into the various features of SES reporting, with special emphasis on the extent to which organizations use stakeholder engagement as a vehicle of DA.

We understand that stakeholder engagement is not necessarily a responsible practice, or even a morally neutral process (Greenwood, 2007). At the same time, SES reporting is a widespread and multifaceted practice that is often accused of acting as a mere instrument of legitimization. Our attempts to test the effectiveness of stakeholder engagement serves as one of the most straightforward ways of understanding the degree to which SES reports are relevant and significant. Moreover, SES reports tend to do a better job of addressing the legitimate concerns of stakeholders when they contain material information. We analyzed SES reporting because it allows us to understand how stakeholder engagement can make sustainability reporting more material, effective, and dialogic. While it is accurate to say that there is no firm link between stakeholder engagement and corporate responsibility—not even in the context of SES reporting—it is nearly impossible to create a true DA framework without engaging stakeholders and including their voices in the materiality assessment and/or decision-making processes.

By examining the role of SES reporting as a vector of DA, the present study sheds light on how companies and other organizations tend to avoid reporting aspects of their activities that are negative in nature. This is understandable, if only because of a clear lack of incentives and fears of damaging the organization's legitimacy. Indeed, many organizations might see DA as a self-harming process. However, in order to create a system of reciprocal trust that involves all stakeholders, organizations should be willing to create the most comprehensive and inclusive framework of accounting and reporting possible. Other studies (see, for instance, Rodrigue et al., 2013 and Cormier et al., 2004) have focused on the role of stakeholder influence on key performance indicators or corporate environmental disclosure. These authors identify possible developments in studies that investigate how stakeholder perspectives define the contents of various forms of sustainability disclosure. Inspired by the conclusions of these authors, we tried to better understand the role of dissenting opinions among stakeholders in drawing attention to social, environmental, and economic issues. In light of our theoretical framework and findings, we believe that unpleasant information can serve as a vehicle of DA, especially in an agonistic perspective. Moreover, dissenting points of views and frank assessments of the difficulties faced during the stakeholder engagement process in SES reporting can provide a more useful and realistic picture of an organization, thereby reinforcing the reliability of some of its more positive claims. In other words, a SES report built on the principles of DA can put to rest previous claims that SES reports are nothing more than idyllic reconstructions of reality that hide opportunistic attempts to improve an organization's legitimacy.

The current study has at least one limitation that should be addressed in future studies. Although we ran a fairly broad content analysis on a large sample of SES reports, and we carried out in-depth interviews with representatives from organizations whose reports showed signs of DA, one important voice was left out of the chorus: stakeholders. Future research should study the features of stakeholder engagement, the characteristics of SES reporting, and the various traits of DA as they are encountered by stakeholders themselves—especially stakeholders from marginalized communities.

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Appendix 1

Table 6 - T-test for comparisons between respondents and non-respondents

Panel A. Total assets

Group	Mean	Standard Error	St. Dev.
Non-respondents	17.949	.346	2.191
Respondents	18.048	.922	3.324
Combined	17.974	.341	2.480
Difference	-.099	.799	
T-stat		-0.124	
Two-tailed p-value		0.902	

Panel B. Return on Equity

Group	Mean	Standard Error	St. Dev.
Non-respondents	6.358	5.920	36.968
Respondents	11.592	2.282	7.905
Combined	7.590	4.553	32.518
Difference	-5.233	10.818	
T-stat		-0.484	
Two-tailed p-value		0.631	

Panel C. Leverage (debt/total capital)

Group	Mean	Standard Error	St. Dev.
Non-respondents	43.527	4.104	24.961
Respondents	35.65	6.160	20.430
Combined	41.722	3.468	24.026
Difference	7.877	8.259	
T-stat		0.954	
Two-tailed p-value		0.345	

Appendix 2

The following equations have been used to test for the impact of size, GRI adherence level and geographic area on the adoption of DA practices:

$$\text{Stpercep/Difficulties/Interaction} = \alpha + \beta_1 \text{ Large} + \beta_2 \text{ Medium} + \beta_3 \text{ Small} + \beta_4 \text{ Comprehensive} + \beta_5 \text{ Core} + \beta_6 \text{ Africa} + \beta_7 \text{ Asia} + \beta_8 \text{ Europe} + \beta_9 \text{ Latin America} + \beta_{10} \text{ North America} + \beta_{11} \text{ Oceania} + \varepsilon$$

Where:

Stpercep = dummy variable that equals 1 when stakeholder perceptions are disclosed and 0 otherwise

Difficulties = dummy variable that equals 1 when difficulties met in stakeholder engagement are disclosed and 0 otherwise

Interaction = dummy variable that equals 1 when information about interaction among stakeholder groups is disclosed and 0 otherwise

Large = dummy variable that equals 1 when a company is labelled as large according to the GRI database and 0 otherwise

Medium = dummy variable that equals 1 when a company is labelled as medium according to the GRI database and 0 otherwise

Small = dummy variable that equals 1 when a company is labelled as small according to the GRI database and 0 otherwise

Comprehensive = dummy variable that equals 1 when the adherence level to GRI-G4 standard is “Comprehensive” and 0 otherwise

Comprehensive = dummy variable that equals 1 when the adherence level to GRI-G4 standard is “Comprehensive” and 0 otherwise

Africa = dummy variable that equals 1 if the company is based in Africa and 0 otherwise

Asia = dummy variable that equals 1 if the company is based in Asia and 0 otherwise

Europe = dummy variable that equals 1 if the company is based in Europe and 0 otherwise

Latin America = dummy variable that equals 1 if the company is based in Latin America and 0 otherwise

Northern America = dummy variable that equals 1 if the company is based in Northern America and 0 otherwise

Oceania = dummy variable that equals 1 if the company is based in Oceania and 0 otherwise

We have used a logit model to run the tests (Table 7). We have also performed a linear probability model, using robust standard errors, as a sensitivity analysis (Table 8).

Table 7 - Logit regression results

Dependent variable	Stpercep	Difficulties	Interaction
Const	-2.838*** (0.576)	.439 (1.813)	.062 (1.845)
Large	-.356 (0.614)	-.588 (1.140)	-.537 (1.149)
Medium	^	-.289	.412

		<i>(1.155)</i>	<i>(1.151)</i>
Comprehensive	1.108 <i>(0.606)</i>	-.240 <i>(0.491)</i>	.783** <i>(0.376)</i>
Africa	^	-1.028 <i>(1.832)</i>	^
Asia	-.213 <i>(0.694)</i>	-2.556* <i>(1.513)</i>	-2.564* <i>(1.535)</i>
Europe	^	-1.748 <i>(1.446)</i>	-1.634 <i>(1.478)</i>
Latin America	^	-2.885* <i>(1.542)</i>	-2.308 <i>(1.177)</i>
Northern America	^	-2.736* <i>(1.596)</i>	-2.489 <i>(1.580)</i>

Notes:

^ = omitted

Table 8 - Linear probability model results

Dependent variable	Stpercep	Difficulties	Interaction
Const	.061 <i>(0.045)</i>	.494 <i>(0.352)</i>	.656** <i>(0.324)</i>
Large	-.015 <i>(0.027)</i>	-.027 <i>(0.039)</i>	-.113** <i>(0.046)</i>
Small	-.058** <i>(0.027)</i>	.037 <i>(0.153)</i>	-.054 <i>(0.141)</i>
Core	-.054 <i>(0.036)</i>	.020 <i>(0.040)</i>	-.100* <i>(0.053)</i>
Africa	.004 <i>(0.009)</i>	-.243 <i>(0.411)</i>	-.472 <i>(0.320)</i>
Asia	.042 <i>(0.027)</i>	-.426 <i>(0.351)</i>	-.424 <i>(0.321)</i>
Europe	.054** <i>(0.022)</i>	-.354 <i>(0.351)</i>	-.323 <i>(0.320)</i>
Latin America	-.008 <i>(0.010)</i>	-.442 <i>(0.351)</i>	-.400 <i>(0.321)</i>
Northern America	-.005 <i>(0.007)</i>	-.438 <i>(0.352)</i>	-.420 <i>(0.323)</i>