

University of Canterbury

“Social and Environmental Reporting in  
New Zealand:

---

Analysing the (Non)-Institutionalisation  
of Practice”

Helen Anne Wright

A thesis submitted in fulfillment of the requirements for the  
degree of Master of Commerce in Accounting at the University  
of Canterbury, Christchurch, New Zealand, 2014

## Dedication

This master's thesis is dedicated to the memory of my brother, Owen Wright – 'O'. Tragically Owen was taken before his time following the events of the Christchurch earthquake. 15<sup>th</sup> September 1970 – 22<sup>nd</sup> February 2011.

As the current saying in our house goes, "So long, and thanks for all the fish" (The fourth book in the Hitchhiker's Guide to the Galaxy, written by Douglas Adams).

This is what the dolphins say as they leave Earth, prior to its demolition for a hyperspace bypass, and is very apt for this research and reminds me of you – 'O'.

Of course, missing the fish is not really the point. It is everything that goes with it, the outdoor adventures, the conversations, the laughter and occasional tears, all of the things that make us human, I guess...

# Table of Contents

Dedication .....	i
Table of Contents.....	ii
Table of Figures .....	v
Table of Tables.....	v
Acknowledgements .....	vi
Abstract.....	vii
<b>Chapter 1 – Introduction .....</b>	<b>1</b>
1.1 Research Overview .....	1
1.2 Research Motivations.....	2
1.3 Research Background .....	5
1.4 Research Contributions.....	6
1.5 Thesis Structure .....	8
<b>Chapter 2 - Literature Review .....</b>	<b>9</b>
2.1 Chapter Overview.....	9
2.2 What is Social and Environmental Reporting? .....	9
2.3 History of Social and Environmental Reporting .....	10
2.4 Importance of Social and Environmental Reporting.....	11
2.5 Influences on Organisations’ Social and Environmental Reporting .....	15
2.6 Motivations for Organisations’ Social and Environmental Reporting .....	16
2.7 Barriers to Organisations’ Social and Environmental Reporting.....	20
2.8 Quality of Social and Environmental Reporting.....	21
2.9 International Bodies Influence on Social and Environmental Reporting.....	22
2.10 Voluntary versus Mandatory Social and Environmental Reporting.....	24
2.11 Assurance of Social and Environmental Reports.....	25
2.12 Social and Environmental Reporting Trends in New Zealand .....	27
2.13 Chapter Summary.....	29
<b>Chapter 3 - Theoretical Framework .....</b>	<b>31</b>
3.1 Chapter Overview.....	31
3.2 Neo-Institutional Theory .....	31
3.3 Macro and Micro Perspectives .....	32
3.4 Change, Actors, Power and Resistance .....	34
3.5 The Organisational Field.....	36
3.5.1 <i>Institutional Entrepreneurship (Agency)</i> .....	36
3.5.2 <i>Organisations</i> .....	37
3.5.3 <i>The Organisational Field and Societal Sector</i> .....	37
3.6 Institutional Isomorphism .....	39
3.6.1 <i>Coercive Pillar</i> .....	39
3.6.2 <i>Normative Pillar</i> .....	40
3.6.3 <i>Mimetic Pillar</i> .....	40
3.6.4 <i>Decoupling and Ceremonial Conformity</i> .....	41
3.7 Neo-Institutional Theory and Social and Environmental Reporting Literature..	42
3.7.1 <i>Institutional Isomorphism</i> .....	42
3.7.2 <i>The Organisational Field</i> .....	45
3.8 Rationale for Theoretical Approach.....	47
3.9 Chapter Summary.....	49

<b>Chapter 4 - Research Method .....</b>	<b>50</b>
4.1 Chapter Overview .....	50
4.2 Field of Analysis.....	50
4.3 Identifying Research Participants.....	52
4.4 Data Collection .....	61
4.5 Data Analysis .....	63
4.6 Chapter Summary.....	64
<b>Chapter 5 - The Organisational Field .....</b>	<b>65</b>
5.1 Chapter Overview .....	65
5.2 International Players - Influence on Social and Environmental Reporting.....	67
5.2.1 <i>International Players and Isomorphic Pressures</i> .....	72
5.3 National Players – Influence on Social and Environmental Reporting.....	73
5.3.1 <i>National Players and Isomorphic Pressures</i> .....	76
5.4 Regulatory and Standard Setting Players – Influence on Social and Environmental Reporting.....	77
5.4.1 <i>Regulatory Players and Isomorphic Pressures</i> .....	80
5.5 New Zealand Sustainable Business Intermediaries.....	80
5.5.1 <i>The Sustainable Business Network</i> .....	81
5.5.2 <i>Pure Advantage</i> .....	82
5.5.3 <i>The Sustainable Business Council</i> .....	84
5.6 Chapter Summary.....	88
<b>Chapter 6 - Analysing Social and Environmental Reporting in New Zealand .....</b>	<b>89</b>
6.1 Chapter Overview .....	89
6.2 The Importance of Sustainability-Related Practices .....	90
6.2.1 <i>SBI Members - 'Doing' Sustainability-Related Practices</i> .....	90
6.2.2 <i>SBI Members - Reporting on Sustainability-Related Practices</i> .....	91
6.2.3 <i>SBI Representatives' Perspectives - The Importance of Sustainability-Related Practices</i> .....	92
6.2.4 <i>Section Summary</i> .....	94
6.3 Influences on Sustainability-Related Practices .....	94
6.3.1 <i>Internal Influences on Sustainability-Related Practices</i> .....	95
6.3.2 <i>External Influences on Sustainability-Related Practices</i> .....	97
6.3.3 <i>Section Summary</i> .....	102
6.4 Resistance to Social and Environmental Reporting .....	102
6.4.1 <i>The New Zealand Business Environment</i> .....	102
6.4.2 <i>Section Summary</i> .....	106
6.4.3 <i>Barriers to Social and Environmental Reporting</i> .....	107
6.4.4 <i>Section Summary</i> .....	110
6.5 Chapter Summary.....	110
<b>Chapter 7 – SBIs' Influence on Social and Environmental Reporting .....</b>	<b>112</b>
7.1 Chapter Overview .....	112
7.2 Purpose and Role of SBIs .....	112
7.2.1 <i>SBI Representatives' Perspectives - Purpose and Role of SBIs</i> .....	113
7.2.2 <i>SBI Members' Perspectives - Purpose and Role of SBIs</i> .....	114
7.2.3 <i>Section Summary</i> .....	118
7.3 Benefits of Membership to SBIs.....	118
7.3.1 <i>SBI Representatives' Perspectives - Benefits of Membership</i> .....	119
7.3.2 <i>SBI Members' Perspectives - Benefits of Membership</i> .....	120
7.3.3 <i>Section Summary</i> .....	123
7.4 SBIs' Influences on Social and Environmental Reporting.....	124
7.4.1 <i>SBIs' Perspectives - Influence on Social and Environmental Reporting</i> .....	124

7.4.2	<i>SBI Members’ Perspectives – SBIs’ Influence on Social and Environmental Reporting</i> .....	130
7.4.3	<i>Section Summary</i> .....	133
7.5	Chapter Summary.....	134
<b>Chapter 8 – Conclusion</b> .....		<b>136</b>
8.1	Chapter Overview.....	136
8.2	Social and Environmental Reporting Practice in New Zealand .....	136
8.3	The Role of Sustainable Business Intermediaries .....	138
8.4	Recommendations.....	139
8.5	Future Research .....	140
8.6	Concluding Statement.....	141
<b>References</b> .....		<b>142</b>
<b>Appendices</b> .....		<b>165</b>
Appendix A - Detailed Profiles of Research Participants - SBI Members .....		165
	<i>Social and Environmental Reporters</i> .....	165
	<i>Non-Consistent Social and Environmental Reporters</i> .....	167
Summary of Research Participants .....		171
Appendix B - Players in the Organisational Field.....		172
	<i>International Players</i> .....	172
	<i>National Players</i> .....	179
	<i>Regulatory and Standard Setting Players</i> .....	183
	<i>Summary of Players in the Organisational Field</i> .....	187
Appendix C - Semi-Structured Interview Questions .....		188
	<i>Sustainable Business Intermediaries’ Interview Questions</i> .....	188
	<i>SBI Members – Social and Environmental Reporters’ Interview Questions</i> .....	190
	<i>SBI Members - Non-consistent Social and Environmental Reporters’ Interview Questions</i> .....	191

## Table of Figures

Figure 1-1 KPMG Corporate Reporting Quadrants.....	4
Figure 4-1 Diagrammatic Presentation of SBI Membership.....	59
Figure 5-1 The Organisational Field.....	66

## Table of Tables

TABLE 2-1 RATIONALES FOR SUSTAINABILITY REPORTING.....	19
TABLE 4-1 INVITED RESEARCH PARTICIPANTS – SE REPORTERS.....	55
TABLE 4-2 INVITED RESEARCH PARTICIPANTS - NON-CONSISTENT SE REPORTERS.....	56
TABLE 4-3 INVITED RESEARCH PARTICIPANTS’ MEMBERSHIP INFORMATION.....	57
TABLE 5-1 INTERNATIONAL PLAYERS.....	68
TABLE 5-2 NATIONAL PLAYERS.....	74
TABLE 5-3 REGULATORY AND STANDARD SETTING PLAYERS.....	78

## Acknowledgements

Wow, what an amazing journey this master's thesis has been although fraught with ups and downs "a bit like life, really". However, embarking on, and in fact completing, this journey would not have been possible without the support from a number of people and financial support received through a scholarship granted from the College of Business and Law. Hence, the following acknowledgements:

First, and most importantly, my two supervisors: Dr. Helen Tregidga and Professor Markus Milne. Thank you, Helen, for tirelessly re-focusing my drafts. You did an amazing amount of work and importantly ensured that I did not stray from the path too many times, a concern aired by Markus. Markus, thank you for offering a fresh and really valuable perspective on my work particularly toward the end of this journey.

Second, thank you to friends in academia. Bob Miller for all the conversations over coffees, lunches and at our farm following your highly dedicated 40 or 60 kilometre cycle ride over the Port Hills (and another 40 kilometres back again)! Also heartfelt thanks to Sanjaya who flew from Australia bringing a bottle of whiskey for us to share.

Finally, another thank you must go to my extended and immediate family: Mrs 'F' always happy to listen and even better, happy to edit my work, my parents and brothers, who have supported my research from the side-line. Thank you to my partner, John, and two 'kids', Alicia and Liam, who are not actually kids anymore, who have happily suffered my 'midlife study' over the last ten years...

## Abstract

The purpose of this thesis is to better understand why the social and environmental reporting practices of New Zealand business entities are ‘starting behind’ international counterparts. An integral aspect is gaining an understanding of the role of key players in the organisational field who have the potential to influence social and environmental reporting in New Zealand. This thesis is motivated by the importance of business entities pursuing sustainability-related practices, and being accountable for their actions through providing external social and environmental reports.

The theoretical framework for this research is neo-institutional theory. The research method involved mapping the organisational field in order to identify players that influence, or have the potential to influence the social and environmental reporting practices of New Zealand business entities. Initially comprehensive background information was collected from websites, academic articles, surveys and a University of Canterbury archive. Subsequently semi-structured interviews were conducted with key players, Chief Executives from three Sustainable Business Intermediaries and Senior Executives from 11 of their members. Findings from the interviews were analysed through an iterative process allowing for emerging themes to be analysed using prior literature and explained through the lens of neo-institutional theory.

The findings and analysis chapters are structured according to the research questions. Chapter six finds weak isomorphic pressures have influenced New Zealand business entities’ social and environmental reporting practices, but have not institutionalised this practice. The rationales of accountability and the business case have both motivated and caused resistance to business entities’ engagement in social and environmental reporting. Chapter seven finds the role of Sustainable Business Intermediaries facilitates weak isomorphic pressures on members’ social and environmental reporting practice. However, the business case rationale results in resistance to the practice of social and environmental reporting with legitimacy a key focus of these field players. Although coercive pressure in New Zealand is weak or lacking there is potential through field players’ roles to influence or enforce coercive

pressure. The research concludes with recommendations that the New Zealand government should regulate social and environmental reporting.

There has been extensive research focusing on various aspects of social and environmental reporting. However, there is little work focusing on the role and influence of field players through engagement-based research. Hence filling this gap extends the understanding of key field players' influence on and interest in institutionalising social and environmental reporting and why this practice is resisted. Ultimately this research offers policy recommendations for the New Zealand government.

# Chapter 1 – Introduction

## 1.1 Research Overview

Social and environmental issues are receiving continuing public and academic attention following “high-profile international issues”, caused by large business organisations<sup>1</sup> which have continued for some decades (Utting, 2005, p. 377)<sup>2</sup>. Harris and Crane (2002) highlight the powerful role of business entities through their control of resources and the increasing pressure from stakeholders in society demanding accounts to be provided regarding the usage of these resources (Sethi, 2003; Epstein, 2008).

The aim of this thesis, which investigates the (non) institutionalisation of social and environmental (SE) reporting practice in New Zealand, is two-fold. First, considering increasing societal expectations on business entities to provide accounts for their resource usage, through (SE) reports<sup>3</sup>, the research seeks to understand why this practice is not institutionalised among New Zealand business entities. Second, the research explores the influence, or potential influence, of New Zealand-based Sustainable Business Intermediaries (SBIs), business organisations that claim to be focused on sustainability-related practices, including the practice of SE reporting in New Zealand.

The following section outlines the research motivations and leads to the questions this research addresses. The research background is covered in the subsequent section. A brief review of contributions to the literature follow and the chapter concludes with an outline of the thesis structure.

---

<sup>1</sup> The term ‘organisation’ is broad and includes corporations, companies, not-for-profit organisations and apart from Sustainable Business Intermediaries and their members, is predominantly transposed to business entities within this thesis.

<sup>2</sup> See “*The Role of TNCs in Environmental Destruction*” (Greer and Bruno, 1996). Pertinent examples of social and environmental disasters include the Bangladesh factory collapse, the Love Canal, the Alaskan oil spill, the Chernobyl nuclear explosion, the Exxon Valdez oil spill, the Kuwait oil fires, Bhopal chemical accident and Deep water horizon (BP) oil spill (NZ History, 2013).

<sup>3</sup> The definition of Social and Environmental Reporting, used in this thesis is provided and discussed in greater detail in Chapter Two.

## 1.2 Research Motivations

This research is motivated by the importance of business entities pursuing sustainability-related practices<sup>4</sup>, and being accountable for their actions through providing external SE reports. The increasing emphasis on responsibility has come about through better understanding and acknowledgement of the mismatch of business entities' power with their responsibility to society (Gray, 2007; 2010; Buhr and Freedman, 2001). According to Buhr and Freedman (2001), business entities responsibility takes the form of accountability through providing accounts of their usage of society's resources to avoid exploitation. Arguably, pressure on business entities concerning social and environmental issues has led to the production of SE reports. Ideally business entities' involvement in this practice is motivated by accountability to their stakeholders and society (UNEPIE, 1994; Gray et al., 1996). However, SE reporting is often motivated by the business case with business entities focusing on competitive advantage or legitimacy (Buhr et al., 2014) and according to Milne (2013) "might be incapable of delivering sustainability" (p. 146).

Sustainable Business Intermediaries (SBIs) were established as a conduit of knowledge for business entities with an interest in sustainability and sustainable development. Specifically, SBIs claim to provide leadership in sustainability-related practices for their members (Milne et al., 2009). However, within New Zealand at least, this leadership has not resulted in significant uptake by New Zealand business entities of SE reporting practice. Therefore, in order to understand the role of SBIs in the process of institutionalising the practice of SE reporting, three semi-structured interviews were undertaken with the Chief Executives of New Zealand based SBIs.

Howells (2006) defines intermediaries as "an organization or body that acts as an agent or broker in any aspect of the innovation process between two or more parties" (p. 720). For the purposes of this research, SBIs are defined as organisations with a special interest in, and ability to influence action towards sustainability-related practices of business entities, including SE reporting. The scope of this research

---

<sup>4</sup> Sustainability-related practices is broadly defined as including business entities' practical action towards reducing their environmental footprint, such as involvement in recycling programs, focusing on social practices, such as treatment of employees, and communicating these practices to various stakeholders (Collins et al., 2010). However, see Gray and Milne (2002; 2004), Milne and Gray (2013) and Milne (2013) for a contrary view on a broader systems understanding of sustainability-related practices.

further defines SBIs as membership or affiliation-based sustainability-related business organisations.

Semi-structured interviews were also conducted with Senior Executives from business entities holding membership with SBIs and who hold roles encompassing sustainability-related practices. These interviews ensured alternative perspectives were incorporated within the research in order to understand why SE reporting is not institutionalised in New Zealand and how SBI members' perceive the role of SBIs in this process. For the purposes of this research SBI members are grouped according to their involvement in SE reporting. SBI members that annually produce externally available SE reports are deemed 'SE reporters' - in contrast with SBI members that may have sporadically disclosed external SE information, may disclose limited external SE information or only disclose SE information internally. Similar to Stubbs et al. (2013) this group is deemed 'non-consistent SE reporters'.

The SE accounting literature identifies a range of influences on, motivations for, and barriers to, business entities engaging in SE reporting. Of concern, this literature highlights how SE reporting is largely driven by the business case, promoting voluntary reporting, rather than accountability and likely unattainable sustainability (Milne, 2013). Furthermore, work within this field highlights the poor quality of SE reports in spite of a range of publicly available SE reporting guidelines and frameworks. Academics critique the lack of regulation as being a factor and limited stakeholder pressure is often evident. The literature review conducted in this thesis highlights gaps relating to the poor uptake of SE reporting practices of New Zealand business entities and little understanding of the role of SBIs in influencing this process (Collins et al., 2007; 2010; Bebbington et al., 2009; Milne et al., 2009).

Internationally, SE reporting became predominant in the 1990s (Tregidga and Milne, 2006) however, the actual practice of SE reporting is scant in New Zealand. The KPMG survey results in 1999 found New Zealand SE reporting practices at the bottom of the 11 Organisation for Economic Co-operation and Development countries (Milne et al., 2001). During the 2000s academics noted New Zealand's poor SE reporting practices which were consistently lagging by five years relative to international trends (Milne et al., 2001; 2003) or had, in fact, stalled (see also

Gilkison, 1995-2003). Of concern, the 2011 KPMG survey identifies only 27% of New Zealand publicly listed companies include SE reporting practices, graphically illustrating that they are “Starting Behind” (KPMG, 2011, p. 4), see Figure 1-1 where New Zealand appears in the bottom left quadrant.



**Figure 1-1 KPMG Corporate Reporting Quadrants**

Aligned with the increasing international focus on sustainability-related practices and SE reporting is the emergence of SBIs with the potential to influence these practices. In 2003, Bebbington et al. (2009) conducted semi-structured interviews with SBI members involved in SE reporting, identifying a New Zealand SBI’s early influence on the practice of SE reporting. From this ‘sustainable development reporting (SDR) workshop series’, Bebbington et al. (2009) anticipated the practice of SE reporting would diffuse through the organisational field, but the findings of the KPMG survey and recent literature suggest otherwise. Hence, the following research questions are motivated by the KPMG survey findings and prior literature:

- Why have social and environmental reporting practices among New Zealand business entities not become more widespread and institutionalised, when they so clearly seem to have done so in many other countries?
- What is the role of New Zealand Sustainable Business Intermediaries in institutionalising social and environmental reporting practices in New Zealand and to what effect?

### 1.3 Research Background

The Rio Earth Summit, held in 1992, brought to the world's attention the complexity of environmental problems for Earth and its inhabitants. The need for sustainable development was emphasised as well as the goal of making business entities more aware of their role in changing current business practice (Earth Summit, 1992). This event triggered the formation of a number of SBIs, such as the Business Council for Sustainable Development (BCSD) in 1990, the International Chamber of Commerce (ICC) in 1991 and the World Industry Council for Environment (WICE) in 1995 (Gray et al., 1996; Najam, 1999; Schmidheiny, 1992). The BCSD represented business at the Earth Summit and subsequently merged with the WICE in 1995 to form the World Business Council for Sustainable Development (WBCSD).

The objective of the WBCSD is to provide a voice from a business perspective about 'sustainable development' (WBCSD, 2013; Najam, 1999). The Brundtland Commission defines the concept of sustainable development as: "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (UNWCED, 1987, p. 8). The BCSD represented business at the 1992 Earth Summit held in Rio de Janeiro and the role of the WBCSD resulted in 'sustainable development' being commonly accepted business terminology (Najam, 1999). However, this self-defined role did not go uncriticised (see Greer and Bruno, 1996; Bruno and Karliner, 2002). Regardless, as claimed by Stigson and Rendlen (2012) the WBCSD influences its members, and has potential to influence the business community, towards sustainability-related practices, of which SE reporting is encompassed.

The New Zealand Business Council for Sustainable Development (NZBCSD) established in 1999, under the WBCSD, and became one of 30 regional business

councils at this time. The members of this regional network are said to play an integral role in stimulating awareness and action towards sustainable development. Initially the NZBCSD comprised 15 founding business organisations<sup>5</sup> that were committed to ‘sustainable development’<sup>6</sup>. Since 1999 several SBIs have waxed and waned with some organisations going defunct and others merging. In 2013, three SBIs are established in New Zealand: The Sustainable Business Network (SBN), Pure Advantage (PA) and the Sustainable Business Council (SBC). These SBIs make public claims about their interest in sustainability and sustainable development, on their websites, through public statements and having policy input. Through membership expectations and benefits these SBIs have the ability to influence the practice of SE reporting (BusinessNZ, 2013; SBN, 2013a) but to date there appears little evidence of this happening on a widespread scale.

#### **1.4 Research Contributions**

This thesis offers a number of contributions to the literature and has potential policy implications. First, this research utilises the lens of neo-institutional theory (NIT)<sup>7</sup> to better understand pressures and resistance to SE reporting practices within an organisational field. Ball and Craig (2010) suggest the current focus of much SE reporting literature is on individual organisations (see Bebbington et al., 2009) not the broader institutional environment or the organisational field. Ball and Craig (2010) concur with Larrinaga and Bebbington (2001) noting there is limited research relating to demands for change from an environmental agenda. Hence, the findings of this thesis offer a different perspective through understanding the potential influence of key players within the organisational field on SE reporting in New Zealand.

Furthermore, Cormier et al. (2004) identify a gap in understanding the influence of industry membership, or external normative pressure on the practice of SE reporting. This research seeks to understand the role or influence of organisations that represent a diverse range of business entities. Within New Zealand, research has involved interviewing and surveying of SBI members (see Collins et al., 2007; 2010;

---

<sup>5</sup> The University of Canterbury holds a longitudinal database of information of the NZBCSD membership history and SE reporting practices of the members that have joined and left since 1999 (Milne et al., 2011).

<sup>6</sup> The definition of sustainable development, used by the NZBCSD, is sourced from the Brundtland Report (UNWCED, 1987).

<sup>7</sup> The dominant theories used in the SE accounting literature include accountability, legitimacy, political economy, stakeholder, and to a lesser extent NIT (Buhr et al., 2014).

Robertson, 2012; Wright, 2011) but this work has not addressed the lack of institutionalisation of SE reporting (Stubbs et al., 2013; Higgins et al., 2014). Nor has research utilised NIT to explain the influence, potential or otherwise, that SBIs exert, through their role, over their members' SE reporting practices.

Second, as noted by Gray and Laughlin (2012) engagement-based research with players in the field, business organisations and regulators, encompassed by context is important for new insights regarding SE reporting and 'absence' in practice. Similarly, Parker (2005) and Adams (2002) argue that engagement with practice is required in order to effect change towards accountability as well as the need for increased 'quality' of reporting processes, not simply increased disclosures (Adams and Larrinaga, 2007). Findings from this research thesis highlight difficulties business entities have with the current voluntary SE reporting regime and the myriad of reporting frameworks. Both, of which, contribute to issues of SE report quality.

Finally, although the literature debates the merits of sustainable development being a normative concept there are strong arguments for policy-focused research contributions (Parker, 2005) and recent calls for policy action (United Nations, 2012). Hence, the findings of this research are valuable for policy input, through participant discussions about the merits of regulating the practice of SE reporting. Furthermore, these findings enrich the current debate regarding the potential of Integrated Reporting.

In summary, this research contributes to the literature through utilising the lens of NIT to better understand pressures that influence, or have the potential to influence the practice of SE reporting. The research method involves practical engagement with field players, specifically New Zealand SBIs and a selection of SBI members, in order to offer an explanation of their influence on the practice of SE reporting. Finally, through understanding why SE reporting has stalled by comparison with international trends (KPMG, 2011; Chapman and Milne, 2004; Robertson, 2012) this research is able to offer policy recommendations.

## 1.5 Thesis Structure

This thesis comprises eight chapters. Chapter Two follows this introduction and offers a review of literature relating to SE reporting, before concentrating on the state of this practice in New Zealand and concluding with the research questions. Chapter Three presents an overview of NIT, its application in contemporary SE accounting literature and the rationale for addressing the research questions through this lens. The research method is explained in Chapter Four and includes an overview of the process undertaken, from the data collection method through to the analysis of findings. Chapter Five maps the organisational field highlighting key players and encompassing the research context. This leads to Chapters Six and Seven which address the research questions, through utilising the interview findings as evidence and integrating the analysis with prior literature, utilising NIT as the lens. The conclusion, Chapter Eight, recaps key findings, limitations and offers directions for future research.

## Chapter 2 - Literature Review

### 2.1 Chapter Overview

This chapter provides the context to the research through an exploration of SE reporting, defining the practice, offering a brief history, discussing the importance of SE reporting for sustainability and highlighting the powerful role of business. The influences on, motivations for and barriers to, business entities engaging in the practice of SE reporting are examined. This is followed by a discussion of the perceived quality of SE reports, the role of international bodies, the merits of voluntary versus mandatory SE reporting and assurance practices. The chapter concludes through outlining the poor SE reporting trends of New Zealand business entities which motivates this research.

### 2.2 What is Social and Environmental Reporting?

Buhr (2007) broadly defines sustainability reporting, or SE reporting, as any means by which business entities engage in communication with various stakeholders, through both formal and informal channels. Bebbington (2001) and Bebbington and Gray (2001) suggest ‘sustainability reporting’ requires an organisation to be responsible and accountable for its impacts on all stakeholders. These authors define SE reporting as comprising an account or “presentation of information about organizational activity” (Gray et al., 1997, p. 330). Arguably, these accounts should include information of public interest relating to an organisation’s “interaction with society, the economy and the physical environment” (Buhr et al., 2014). However, more prominent is the representation of information specific to an organisation’s activities. Milne (2013) argues that these reports are organisation-centric and only include “[a selection of] their social and environmental intentions, policies and impacts” (p. 142).

SE reports are compiled by, either internal or external participants, for the usage of either internal or external participants (Gray et al., 1997). The SE reports deemed relevant to this research are reports which have been compiled by internal participants for the consumption of external participants as they are publicly accessible documents

for members of society<sup>8</sup>. Furthermore, the KPMG (2008; 2011) surveys, data from which this research is based on and which provided the initial motivation for this research, draw information for SE reporting trends in New Zealand from externally available documents. Buhr (2007) proposes that SE reports are compiled in response to pressures, expectations and social change, discussed next.

### 2.3 History of Social and Environmental Reporting

Environmental and social concerns date back over a long period of time whereas SE reporting has largely arisen with the advent of corporations (Buhr, 2007) particularly with the associated expansion in economic activities and negative impacts on the natural environment (Zoeteman et al., 2012). Early reporting evolved from employee reporting, social reporting, environmental reporting, sustainability reporting and the currently debated, Integrated Reporting<sup>9</sup> (Buhr et al., 2014). Employee reporting dates back to the late 1800s and through the 1900s (Guthrie and Parker, 1989) and included broad social disclosures that were of importance to workers. In the 1960s and 1970s the focus was on social accounting with the public interest altering according to social factors. For example, conservative politics and economic recessions resulted in reduced interest in environmental concerns (Downes, 2000; Doyle and McEachern, 2008). In contrast, external events such as environmental disasters increase the public focus (Buhr et al., 2014) and SE disclosures (Adams, 2002).

During the 1980s and 1990s the concept of social accounting reduced while environmental reporting emerged evidenced by voluntary standalone reports produced by some business entities. At a similar time, notions of sustainability and sustainable development emerged along with the Brundtland Report that brought these ideas to public attention. The 2000s marked the beginning of sustainability reporting or Triple Bottom Line (TBL) reports<sup>10</sup>, attributed to John Elkington (Buhr et al., 2014; Milne, 2013). Thus, since the 1990s, pressure on business entities concerning SE issues has led to the production of non-financial accounts including: social, environmental, and sustainability reports in order to discharge accountability to their stakeholders as well

---

<sup>8</sup> Certainly this is the case for citizens of developed countries who have access to the Internet.

<sup>9</sup> “An integrated report is a concise communication about how an organization’s strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value in the short, medium and long term” (IIRC, 2013a).

<sup>10</sup> TBL reports link a business organisation’s environmental, social and economic dimensions (see ‘*Cannibals with Forks*’, written by John Elkington in 1997).

as society (UNEPIE, 1994; Gray et al., 1996). However, some academics question whether current SE reporting practice offers accountability (Milne, 2013).

Reporting formats have also changed over the last few decades. SE information has been contained within annual reports, located on websites and/or published as separate standalone documents (Milne, 2013). The current debate relates to the merits of moving towards Integrated Reporting - reports taking a holistic approach and encompassing all aspects of a business's performance within one report (KPMG, 2011). Although how this will be achieved, is currently being questioned (Buhr et al., 2014). The KPMG (2011) survey notes that the various reporting channels create difficulties of "inconsistency in the format and accessibility...[which]...continues to impact comparability" (p. 20). Although standalone reports were considered leading practice in 2008, by 2011, business entities' methods of reporting included "leveraging multiple media formats" in an attempt to increase accessibility for stakeholders (KPMG, 2011, p. 22). This history leads to considering why SE reporting is important.

#### **2.4 Importance of Social and Environmental Reporting**

Academics suggest the importance of business entities providing SE reports involves, reporting on sustainability issues (Adams and Narayanan, 2007), focusing on sustainable development (Harris and Crane, 2002) and reducing unsustainable practices (Unerman, 2007). As established, the Brundtland Report defines sustainable development as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (UNWCED, 1987, p. 8). The WBCSD promoted this definition as business's answer to operating sustainably, but significant debate has arisen as to how this meaning has been 'captured' and 'constructed' allowing business entities too much power (Welford, 1997; Springett, 2003; Milne et al., 2009) and effecting little behavioural change.

Welford (1997) highlights concerns relating to the power of business. He makes a strong case for how the dominant positivist worldview has contributed to business capturing the concept of sustainable development, ensuring business as usual through an objective view involving technical solutions to environmental problems. The language used has been framed by economic theory (Liokadis, 2010). Springett

(2003) gives examples as ‘eco-efficiency’,<sup>11</sup> ‘TBL’ and ‘the three pillars of sustainability’, suggesting they result in weak sustainability, or unsustainability (Gray, 2010). Redclift (1991) suggests that economists understand numerical representations of the costs to the environment as essential for reaching sustainability. Alexander (2007) argues that management decision-making is based on making the most profit and forgoing any moral imperative to do otherwise.

Similarly, Milne et al. (2009) argue business has constructed the discourse associated with sustainable development. The metaphors of ‘journey’ and ‘balance’ are commonly cited within the literature (Springett, 2003; Milne et al., 2006; 2009). A number of authors have noted that the concept of sustainable development has evolved into sustainable growth, essentially ‘business opportunities’ (Hoffman, 2001; Gray, 2010; Banerjee, 2011)<sup>12</sup> with business organisations’ identities changing over time (Tregidga et al., in press). Thus, the discourse and specific language use is argued by critical theorists as giving businesses power to control sustainable development (Welford, 1997; Hopwood, 2009), enabling and contributing to the economic domination of business organisations (Greer and Bruno, 1996). Furthermore, the language of business is taught in academic institutions throughout the Western world, cementing concepts such as “efficiency and competitive advantage” (Slater and Dixon-Fowler, 2010 cited in Banerjee, 2011, p. 728). Academics predominantly focus on sustainability from an economics paradigm, supply side or input based rather than output or demand focused (Banerjee, 2011).

Banerjee (2011) also suggests that there has been a lack of research from other disciplines or from a multi-discipline approach into the role of businesses in sustainability. Other academics point to inherent problems between and within disciplines, such as ecologists and economists (Redclift, 1991; Seidl, 2000). The United Nations (2012) panel noted this recently, suggesting that “economists, social activists and environmental scientists have simply talked past each other...[and]...the time has come to unify disciplines” (p. 12).

---

<sup>11</sup> Eco-efficiency is defined as “creating more value with less impact” (WBCSD, 2000 cited in Milne et al., 2006, p. 804).

<sup>12</sup> See also Porter and Linde (1995); and ‘*From Challenge to Opportunity*’ (WBCSD, n.d.).

Shrivistava (1995) calls for researchers to “better understand the role that corporations can play in dealing with ecological problems” (p. 937). Similarly, Owen’s (2008) review of the literature points towards future research needing to have a greater impact on practical change within organisations (citing Parker, 2005, p. 251) but involving external stakeholder groups. An extension of these ideas is the United Nations (2012) panel recommendation that “policy action” towards sustainable development is the best approach (p. 7). Although authors argue for what ‘should’ or ‘ought’ to be done there is also a body of research that argues a normative approach as being responsible, in part, for the failure of business to achieve sustainable development (Redclift, 1991; Seidl, 2000).

Aligned with issues of sustainability, the importance of SE reporting is attributed to the mismatch of business entities’ power with their responsibility to society (Gray, 2007; 2010). According to Gray et al. (1996) and Zoeteman and Harkink (2012), capitalism has encouraged economic growth and consequently facilitated the increasing power of business entities while impacting negatively on society and the environment. Dillard et al. (2008a) suggest through business organisations accepting rights to control economic resources, they accept the responsibility to be held accountable accordingly. As such, Buhr and Freedman (2001) believe responsibility falls to business organisations to avoid (unjust) exploitation of natural resources. However, Dillard et al. (2008b) suggest people, as democratic actors, are responsible for holding business organisations accountable for their resource usage. This view is echoed by Lee (2008) and Adams and Whelan (2009) who believe stakeholder pressure could effect change resulting in business entities improved accountability. Accountability, through the practice of SE reporting, is proposed by Gray et al. (1996) as having the potential to enable fairer and more just democratic societies, although these academics also consider traditional accounting as anti-democratic.

Gray and Laughlin (2012) stress that social accounting and audit is “part of a complex interconnected system” (p. 235) which encompasses Earth (systems and species) and corporate action which is guided by regulations and (optimistically) accountability. Hence, accountability negotiates, articulates and develops the relationship between society or stakeholders, the market or corporations and the state as the regulator (Gray and Laughlin, 2012, p. 240). Gray et al.’s (1996) widely used definition of

accountability is ...“The duty to provide an account...or reckoning of those actions for which one is held responsible” (p. 38). Gray et al. (1996) simply explain accountability as, “the responsibility to undertake certain actions...and the responsibility to provide an account of those actions” (p. 38).

Social accounting including reporting and auditing was dominant in the early to mid-1970s and included ideas of ‘accountability’ (Gray et al., 1996; Chapman and Milne, 2004) which had nearly disappeared by the late 1970s (Gray et al., 1997). However, environmental accounting re-emerged in the 1980s and 1990s (Gray et al., 1997) with various actors in society demanding a greater range of information and expectations that organisations would provide a written account of their actions (UNEPIE, 1994; Gray, 1992). Industry actors began acknowledging their responsibility for environmental challenges and industry associations became leading advocates of voluntary environmental initiatives (UNEPIE, 1994). In 1994, the UNEPIE report cited the three reasons for reporting as responsibility, sustainability and accountability (UNEPIE, 1994).

However, critics suggest the response of businesses to SE reporting was to reduce the likely introduction of regulation (Welford, 1997; Bruno and Karliner, 2002; Utting, 2005) and question whether current practices actually enforce accountability or social sustainability (Brown et al., 2009). Another issue pointed out by Milne et al. (2009) and Springett (2003) is what is not reported, ‘silence’ is of great concern. Similarly, Gray and Laughlin (2012) agree with Power’s (1991) observation that accounting through making certain information visible has the power to make other information invisible (see also Hopwood, 2009).

In summary, the literature highlights how sustainable development has been defined, captured and constructed by powerful business interests resulting in weak (un)sustainable practices affecting business organisations accountability. Whereas, if sustainability is viewed as important, incorporated within business models as proposed by Hawken et al. (2002), ideally accountability through reporting business actions is possible (Eweje, 2011). The following section discusses influences on business entities involvement in SE reporting.

## 2.5 Influences on Organisations' Social and Environmental Reporting

Adams' (2002) research organises influences on business entities' SE reporting practices into three main areas: corporate characteristics, general contextual factors and internal context. Adams (2002) focuses on the process of reporting and her work is driven from a moral or normative perspective; the author's belief is that business entities should be more accountable for social, environmental and ethical impacts.

According to Adams' (2002) review of the literature, corporate characteristics, which can influence business entities' SE reporting, encompass the organisation's size, industry group, financial or economic performance, share trading volume, price and risk. Cormier et al. (2004), a statistically-based study, found economic incentives for SE reporting including: information costs, risk, reliance on capital markets, trading volume and ownership. Handford (2010) suggests industry norms are one of the current drivers for SE reporting practice. In contrast, Rashid and Lodh's (2008) Bangladesh-based study did not find the following corporate characteristics significant: size, industry and ownership structure. Nor did Higgins et al. (2014) find size or industry affecting SE reporting. Morhardt (2010) suggests there is considerable evidence that SE reporting is more likely within larger rather than small to medium enterprises (SME) confirmed by the KPMG survey data (KPMG, 2011). According to Morhardt (2010) larger business entities are better positioned to produce SE reports but states it is becoming increasingly risky for them to do otherwise (KPMG, 2011). In contrast, Higgins et al.'s (2014) study found inconsistent SE reporting outside the largest 100 Australian companies. Morhardt (2010) also suggests there is a range of other factors that influence SE reporting, as discussed by Adams (2002), with no "single overwhelming driving factor" (p. 448).

General contextual factors include the country, time, events, media pressure, stakeholders as well as the social, political, cultural and economic context, but noting the relationship between these factors can be complex (Adams, 2002). Adams (2002) acknowledges there is a relationship between (non) disclosure and the social and political context illustrated by Burchell et al. (1985). Similarly, previous studies have noted the relationship between economic context and reporting as well as cultural context; disclosures vary over time; specific events can increase reporting, as does media pressure and stakeholder power (Adams, 2002, Deegan et al., 2002). Buhr

(2007) and Haider (2010) concur, suggesting changes and expectations in the social, political and economic context influence the level of SE reporting. Buhr and Freedman (2001), through a comparative study, investigate cultural and institutional factors<sup>13</sup> influencing SE disclosures. This study found a rapidly increasing rate of disclosure in Canada in comparison with America attributed to political change, a smaller population and business concentration (Buhr and Freedman, 2001). In an earlier study Tilt (1994) found external pressure groups hold expectations regarding SE reporting and desire legislation. More recently, Deegan and Blomquist (2006) findings highlighted stakeholder influence on SE reporting, as did Handford (2010) who notes the increasing threat of legal sanctions as a current driver.

Internal context, the key focus of Adams' (2002) study includes: the internal processes within a company; company chair and board, whether a committee exists for SE reporting, structure and governance, stakeholder and accountant involvement as well as attitudes, views related to SE reporting, perceived costs and benefits and corporate culture. Epstein (2008) and Adams and McNicholas (2007) find internal culture, being championed by a key individual within an organisation such as the company chair and the existence of a social reporting committee, as influential for SE reporting. Similarly, Rashid and Lodh (2008) find board composition as having a strong influence. In contrast, Collins et al. (2010) found limited evidence within New Zealand business entities of internal pressure resulting in SE reporting; instead the focus is on eco-efficiency. Adams (2002) explores the reporting process and attitudes to reporting, its impacts, legislation and audit, finding a link between corporate characteristics and the internal reporting processes. This illustrates, for example, how the size of a business organisation can affect the decision-making ability of an individual; a possible explanation for SE reporting ensuing, or not.

## **2.6 Motivations for Organisations' Social and Environmental Reporting**

Buhr et al. (2014) suggest that SE reporting will always be driven to some extent by the strategic objectives of business entities but also as a response to a variety of

---

<sup>13</sup> Factors included: history, geography, the political system, the legal system and business climate (Buhr and Freedman, 2001). The study included but did not note any findings from the accounting profession.

pressures<sup>14</sup>, expectations and social change. Bansal and Roth (2000) propose that organisations' motivations for ecological responsiveness encompass competitiveness, legitimacy and ecological or social responsibility. Similar to Buhr et al. (2014), Bansal and Roth (2000) suggest that each of these motivations is affected by context and result in a variety of 'ecologically responsive initiatives' (p. 729).

Competitive advantage is often cited in the literature as a motivation for business entities engaging in practices, such as SE reporting (Buhr et al., 2014; Bansal and Roth, 2000). Stigson and Rendlen (2012) suggest there is a positive correlation between leadership in sustainable development and market value or returns for business. This view relates to identifying 'win-wins' for business and stakeholders but noting business entities are predominantly profit oriented and/or shareholder focused (Brown and Fraser, 2006; Adams and Narayanan, 2007). Stigson and Rendlen (2012) further propose that this includes business entities focusing on eco-efficiency, and maintaining a 'license to operate' or a social contract with society. However, competitive advantage is also found as a barrier to SE reporting (Stubbs et al., 2013; Higgins et al., 2014), discussed in the following section.

Legitimacy, as defined by Suchman (1995) "is a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs and definitions" (p. 574). Although legitimacy also motivates SE reporting, questions raised within the literature include whether business organisations, through increased disclosures, are focusing on reputation and/or risk management (Bebbington et al., 2008) or simply legitimising their operations (Deegan and Rankin, 1996) following an event (Patten, 1992). For example, studies examine the completeness, transparency, veracity and usefulness of the disclosed data: whether SE reports are public relations exercises, how sincere are the reporting organisations and whether SE reports are reflective of sustainability-related practices<sup>15</sup> (Pennington and More, 2010).

---

<sup>14</sup> See Chapter 3 – Theoretical Framework. This chapter discusses the effect of institutional pressures on sustainability-related practices including SE reporting.

<sup>15</sup> This raises issues of greenwashing which is defined as: "presenting a favourable rather than a realistic view of organisations performance" (see Pennington and More, 2010, p. 29).

Social responsibility (Bansal and Roth, 2000), or accountability (Gray et al., 1996), is proposed as a motivator for sustainability-related practices and is affected by the ecological values of individuals, arguably not through copying other organisations. Buhr et al. (2014) concur positing that SE reporting can be driven by internal champions but alternatively it can be driven through organisations complying with legislation. Hence, an accountability motivation for SE reporting (Gray et al., 1996) has a moral or ethical explanation. Further, as highlighted above, rationales for SE reporting can be proactively or reactively determined. See Table 2-1 which presents various rationales for SE reporting (Buhr, 2007).

Essentially, as noted by Gray (2007), motivations for SE reporting are complex. However, what has become central since the establishment of the WBCSD, is that of ‘the business case’ through competitive advantage and/or legitimacy, not accountability, for motivating SE reporting (Stigson and Rendlen, 2012; Brown and Fraser, 2006; Stubbs et al., 2013; Higgins et al., 2014). Understanding influences on, and motivations for, SE reporting leads to considering barriers to this practice.

**Table 2-1 Rationales for Sustainability Reporting**

<b>Rationale</b>	<b>Proactive</b>	<b>Reactive</b>
Moral and ethical reasons, duty	We see this sort of reporting as our ethical duty. This reporting is part of the accountability equation and we have a champion in the upper ranks of management who want us to do this.	What we must do is comply with the law. If the law does not require this reporting we see no moral duty to engage in it.
Competitive Advantage	We would like to be seen as a leader in this area. This is the vision that we have of ourselves.	We do not see any competitive advantage in being a leader in this area. We view it as too costly to be on the leading edge.
Party to setting of voluntary standards - GRI	We would like to work with others setting voluntary international standards. We might believe that voluntary standards are the way to go to stave off (costly) regulation.	We are not interested in or able to participate in such voluntary activity.
Party to setting of mandatory standards – government, accounting or securities based	We should do this so our views can be heard and represented in the process. This might include a conscious desire to ‘capture’ the agenda and ensure the results are compatible with what we are willing to do.	We do not want mandatory standards therefore we will not participate in the process except perhaps to resist.
Peer and industry pressure	We believe that it is important for our industry association to endorse this reporting. We want our industry to have a better image. We want to bring others in our industry up to our level of reporting.	Too many of our competitors are engaging in this reporting. WE must provide some sort of reporting and not lag too far behind unless we are willing to tolerate some form of competitive disadvantage.
Corporate performance	We are really doing better than people think we are and we need to let them know.	Our corporate performance is not so hot and ‘least said soonest mended’.
Image management, public relations, corporate reporting awards	This sort of reporting is a great way to beef up our image. Let’s get our spin-doctors on it right away. This is a symbolic way for us to show how progressive we are.	There is a reaction to disaster ‘X’ in our industry. We must do collateral damage control and report on how we have safeguards in place so that we are not like disaster ‘X’.
Social pressures, social licence to operate	We believe in enlightened self-interest and win-win situations. Let’s use this as one way to get the local community to understand what we are doing.	Why do we need to communicate with anyone other than shareholders? But, maybe if we do we can avoid the attacks by those NGOs and rabid interest groups.
Financial benefits form investor reactions	We believe that we can attract investors with this sort of reporting. We feel that we can lower our cost of capital because this sort of reporting indicates how we have solid systems, top-notch strategic thinking and corporate transparency.	We do not see any financial benefit from engaging in this reporting and in fact we see these reports as costing too much money, time, trouble and effort to produce.
Existing regulation – government, accounting or securities based	We have good regulations in this area and we want to do a good job of providing full and fair disclosure, complying with both the form and spirit of the regulation.	Sure there is regulation in this area but we do not think that it is well enforced and we are not afraid of the penalties if we are caught. Let’s just ignore this and keep a low profile and see what happens. Maybe we will have to do something if our auditors or the securities regulators raise the issue.

Source: (Buhr, 2007, pp. 64-65).

## 2.7 Barriers to Organisations' Social and Environmental Reporting

The predominantly discussed barriers to SE reporting are resource related (Dobbs and van Staden, 2012) with literature findings proposing that costs outweigh the benefits (Simpson et al., 2004; Brown and Fraser, 2006; Stubbs et al., 2013). Eweje (2011) discusses 'leaders and followers' of sustainability-related practices identifying the effects of economic factors reducing New Zealand business entities' focus in this area. Pinto et al. (2012) investigated changes in sustainability-related practice before and after the initial onset of the global financial crisis with findings highlighting that the changes in disclosures were industry related<sup>16</sup>.

Simpson et al. (2004) investigated business entities' involvement in sustainability-related practices in order to determine whether it creates a competitive advantage for SMEs but simply finds it is a cost. The authors argue for regulatory pressure, through fast government intervention, proposing that voluntary measures will not achieve the desired outcome (Simpson et al., 2004). Boysen (2009) concurs with this view maintaining mandatory SE reporting for the Global Reporting Initiative (GRI)<sup>17</sup> sustainability indicators is required. Another pressure noted as missing in New Zealand is the lack of external stakeholder pressure for sustainability-related practices (Collins et al., 2010; Eweje, 2011; Dobbs and van Staden, 2012).

Eweje (2011) and Collins et al. (2010) also find the incidence of SMEs in New Zealand is linked to barriers for engagement in sustainability-related practices. These barriers include cost, availability of time, and the level of skills and knowledge of the owners or managers. Similarly, Hackston and Milne (1996) note the size of businesses entities as a barrier to disclosure but this is complicated by high-profile industries and can be related to a business entity's ownership structure. Kolk et al.'s (2008) research highlights the influence of ownership structure with investor-focused businesses disclosing more information through the Carbon Disclosure Project

---

<sup>16</sup> According to Pinto et al. (2012) environmentally and socially sensitive industries either increased or maintained their SE disclosures over the time period 2005-2010.

<sup>17</sup> The GRI is discussed further in this chapter - 2.9 International Bodies and in Chapter Five – The Organisational Field.

(CDP)<sup>18</sup>. In contrast, Cormier et al., (2004) identify greater disclosure, information costs, as a barrier reducing businesses competitive advantage (Simpson et al., 2004).

Similar barriers are found regarding the assurance of SE reporting. Bartels et al.'s (2008) findings highlight that readers of SE reports value assurance but SE reporters acknowledge that cost is a factor (Boysen, 2009). Robertson's (2012) New Zealand-based study finds barriers to assurance of SE reports are similar to those of producing SE reports. Overall, the rationale given for barriers to business entities' involvement in sustainability-related practices, including SE reports are somewhat similar to motivations for their involvement, that is, the business case, or rather the lack of one. This leads to reviewing literature regarding the quality of SE reports.

## **2.8 Quality of Social and Environmental Reporting**

The KPMG surveys (2008; 2011) identify growth in SE reporting trends of international companies. However, the survey only includes the largest publicly listed global and national companies (Pennington and More, 2010). The 2011 KPMG survey notes there are issues relating to data quality, identifying that a third of the G250 and a fifth of the N100 restated their SE reports<sup>19</sup>. Academics have also questioned the content of SE reports in the following areas: the substance and data of reports (Kolk, 2003), the sincerity of reporting organisations (Owen et al., 2000), and whether SE reports will ensure business organisations actually operate sustainably (Dando and Swift, 2003; Buhr et al., 2014).

Marshall and Brown (2003) question whether the data that is published meets stakeholder expectations in the following areas: completeness, transparency, veracity and usefulness (Milne and Gray, 2007; Buhr et al., 2014). Similarly, Owen et al. (2000) and O'Dwyer and Owen (2005b) suggest the reporting process is not oriented towards stakeholders: instead this process is 'controlled' by management as is the collection, production and distribution of reports (Pennington and More, 2010). Thus, Pennington and More (2010) identify a low priority given to SE reporting focusing on inputs, not on processes, systems or outputs, resulting in what they deem to be

---

<sup>18</sup> However, Kolk et al. (2008) questioned the lack of disclosures and reliability of the data. The CDP is discussed further in this chapter - 2.9 International Bodies and in Chapter Five – The Organisational Field.

<sup>19</sup> G250 are the 250 largest companies in the world while N100 are the largest 100 companies in the 34 countries included in the KPMG survey (KPMG, 2011, p. 6).

‘greenwashing’ or simply taking a financial or economic perspective (Dillard et al., 2008a). Cormier et al.’s (2004) study finds that “public pressures” influence SE report quality (p. 32). Professional or industry membership influences SE report quality along with imitation, within an industry, and routine, i.e. past practices (Cormier et al., 2004). However, these authors note the (institutional) context affects what is disclosed.

The quality of SE reports is impacted by the following factors, the influence of international bodies, the consideration of voluntary versus mandatory reporting and the merits of assuring SE reports, discussed next.

## **2.9 International Bodies Influence on Social and Environmental Reporting**

There are a number of international bodies that promote and have the ability to influence sustainable development and business entities’ sustainability-related practices, including SE reporting (Adams and Narayanan, 2007). According to Adams and Narayanan (2007) and based on the World Bank Group (2003) survey the principal bodies include the WBCSD, AccountAbility<sup>20</sup>, the International Standards Organization (ISO), the GRI, and Sustainability Integrated Guidelines for Management Project (SIGMA)<sup>21</sup>. The CDP is also included and more recently the IIRC (see Buhr et al., 2014).

The WBCSD, essentially a business-oriented organisation, published a report in 2003 offering members’ guidance for preparing SE reports (Stigson and Rendlen, 2012). Milne et al. (2009) and Brown and Fraser (2006) view the WBCSD motivation for encouraging SE reporting as the ‘business case’, or the “business agenda” (Stigson and Rendlen, 2012, p. 318) and it is debatable whether the WBCSD is an advocate of regulation or mandatory disclosure. Banerjee (2011) alludes to the WBCSD as being an “industry lobbyist...opposing environmental legislation” (p. 721). Membership criteria include the expectation of members producing a SE report within the first three years of joining but it is unclear whether this is enforced (WBCSD, 2013).

---

<sup>20</sup> The influence of AccountAbility is discussed further in this chapter - 2.11 Assurance of SE Reports.

<sup>21</sup> The SIGMA project and the more recent International Integrated Reporting Council (IIRC) are discussed in Chapter Five – The Organisational Field.

The ISO has been developing standards since 1996 (Adams and Narayanan, 2007) including the 14000 series of standards which are designed to manage (and possibly report) environmental impacts and performance. An earlier World Bank survey found these standards have been very influential on business's (environmental) practices (World Bank Group, 2003). Although there is a perception of credibility through application of these standards (Marshall and Brown, 2003) Pennington and More (2010) find business entities view the costs as outweighing the benefits. Adams and Narayanan (2007) state the ISO approach to environmental management is "procedural" (p. 73) and does not include guidance for 'what' or 'how' to report. The authors identify the three pillars of sustainable development that are contained within the 'ISO in Brief' document but suggest that sustainability is not actually addressed.

The GRI is a multi-stakeholder organisation that publishes GRI guidelines with the aim of facilitating business organisations, through voluntary guidance, in reporting on their SE practices (Adams and Narayanan, 2007). The KPMG (2011) survey claims the GRI is the most popular framework from which to produce SE reports, with up to 80% of large organisations using it. Othman and Ameer (2009) and Pennington and More (2010) argue the main advantage of using the GRI framework for reporting is consistency, which allows for comparability among organisations thus giving credibility. Kolk et al. (2008) suggest utilising frameworks, such as the GRI and the CDP offer "reputational benefits" (p. 726) and enables pressure to be exerted by non-government organisations on business organisations' disclosure practices. However, academics argue that variability in form, style and content makes comparability unlikely (see Marshall and Brown, 2003; Brown et al., 2009; Boysen, 2009; Othman and Ameer, 2009). Furthermore, Moneva et al. (2006) critique the GRI, suggesting the development of measures have superseded its focus on sustainable development and stakeholders, increasing un-sustainability (Milne and Gray, 2013). Pennington and More (2010) note the requirement behind presenting sustainability-related information as placing it within an organisation's context but note that most reporters fail to do so.

The CDP is a not-for-profit organisation that facilitates and influences organisations towards publicly disclosing environmental information, including carbon and water, but involvement is relative to the size of a company (CDP, 2013). The CDP is found

by Kolk et al. (2008) to have an influence on the improved disclosure rates of listed organisations, evidenced by the KPMG survey in 2008. Furthermore, Robertson (2012) notes the CDP strongly advocates organisations undertake assurance of these practices. However, Kolk et al. (2008) find the information being disclosed is not of great use for investors and is not used by decision-makers.

The number of international bodies promoting alternative reporting guidelines and standards results in a lack of consistency and comparability of SE reports for stakeholders. As noted by Milne (2013) this is further complicated through the voluntary nature of these guidelines and standards, discussed next.

### **2.10 Voluntary versus Mandatory Social and Environmental Reporting**

Aligned with concerns of reporting quality are debates regarding whether SE reporting should be a voluntary or mandatory exercise. Other than in South Africa, where all companies listed on the Johannesburg Stock Exchange are required to produce Integrated Reports (IIRC, 2012) various regulations have been passed in a range of countries. For example, business organisations in Denmark, Norway and Sweden<sup>22</sup> must disclose information relating to environmental issues; the US requires toxic emission data; and in Korea environmental information is required (Kolk, 2003). The National Greenhouse and Energy Reporting scheme was introduced in Australia in 2007 (AGDE, 2013) and water regulations came into force in 2008 (AGBM, 2013). Furthermore, since October, 2013 British companies listed on the London Stock Exchange are required to report on greenhouse gas (GHG) emissions (DEFRA, 2012)<sup>23</sup>. The most significant regulation in the New Zealand context is the Resource Management Act (1991) a world first when introduced (Tregidga et al., in press). The purpose of this legislation is to promote the sustainable management of natural and physical resources in New Zealand, such as land, air and water addressing environmental issues through a framework (MfE, 2012).

Although the previous examples illustrate apparent moves towards regulating the production of SE reports this is not consistent internationally. There are no common

---

<sup>22</sup> Swedish State Owned Enterprises are mandated to report against the GRI and have their SE reports assured (Larsson, 2010 cited in Robertson, 2012, p. 35).

<sup>23</sup> Note, however, the examples of regulation are likely to represent country-specific environmental issues and some reflect the influence of specific guidance providers.

standards, rules or laws, such as the Generally Accepted Accounting Standards requiring consistent SE reporting (Milne, 2013). The KPMG survey acknowledges the voluntary nature of SE reporting, but goes on to suggest that it is “virtually mandatory for most multinational companies” (KPMG, 2011, p. 6) with 95 percent of the largest companies in the world reporting on their sustainability-related practices. KPMG (2011) find that business organisations are starting to experiment with Integrated Reporting suggesting this practice is “the next step in improving the value of corporate reporting” (p. 23). Whether Integrated Reporting becomes mandatory on a global scale is yet to be realised.

There are significant criticisms relating to voluntary SE reporting including: business entities ability to choose which data to report (O’Dwyer and Owen, 2005a; Bebbington and Dillard, 2008), how to report data (Gray and Bebbington, 2001), little or reduced detail within the reported data, greenwashing (Pennington and More, 2010) and poorly explained methodologies (Hubbard, 2009). Furthermore, Pennington and More (2010) suggest that selective reporting is facilitated through business entities’ ability to choose among reporting frameworks, as discussed above (see Milne, 2013), thus resulting in comparability issues (Doane, 2002). Of concern, Moneva et al. (2006) and Golob and Bartlett (2007) find that voluntary reporting affords business entities little likelihood of being held accountable for their actions and can reflect underlying attempts to avert likely regulation (Gray et al., 1996; Cormier et al., 2004; Frost, 2007). This was the finding of Larrinaga et al.’s (2001) Spanish study whereby business organisations that disclosed the most information were simply attempting to control the national environmental agenda. This outcome has resulted in calls from academics for mandatory SE reporting guidelines, “greater governmental involvement” (Gray et al., 1996, p. 165), better audit guidelines and mandatory audit (Adams and Evans, 2004), discussed next.

### **2.11 Assurance of Social and Environmental Reports**

Assurance of SE reports is motivated by the need for enhancing credibility (KPMG, 2011); transparent information provides accountability to stakeholders (Dando and Swift, 2003). Hence, concerns regarding the credibility of SE reporting is linked with assurance practices.

The most common standards used for assurance purposes are AccountAbility AA1000 AS and International Auditing and Assurance Standards Board ISAE 3000 (CorporateRegister.com, 2008, p. 12). In combination, Iansen-Rogers and Oelschlaegel (2005) believe these standards would likely deliver enhanced results. Dando and Swift (2003) considered the AA1000 and AA1000 AS were required in order to address credibility gaps within SE reporting. These standards have been attributed with significant influence on SE reporting practices (Chapman and Milne, 2004). However, findings in the literature offer conflicting views regarding the rate of assurance application (Dando and Swift, 2003; Kolk and Perego, 2010).

Adams and Narayanan (2007) note three foci of the AA1000, the process of “accountability, auditing and reporting [and] the inclusion of stakeholders in the process” (p. 81) but unlike the GRI there is little guidance on what “should be reported” (p. 78). The aim of AccountAbility is to link with other standards for example, the GRI and ISO, to facilitate consistency, comparability and offer a standalone framework (Adams and Narayanan, 2007). However, the GRI G3.1 revision made assurance optional (Robertson, 2012) and this remains unchanged within the latest version - GRI G4 (GRI, 2013a).

The 2011 KPMG survey highlights the international trends for assurance of SE reports. This survey indicates that 46% of G250 and 38% of N100 companies use assurance for verifying and assessing SE reporting data (see Buhr et al., 2014). Although these results illustrate a slight increase from the 2008 survey, KPMG have deemed it a “troubling finding” (p. 28), holding a belief in the value of this process. Instead, managers control this process through selecting audit companies (Ball et al., 2000) and setting the scope of SE reports with fewer SE reports gaining independent verification (KPMG, 2008; Bartels et al., 2008). Simnett et al.’s (2009) international study finds that assurance levels are higher in companies with a “larger social footprint” (p. 965). The KPMG (2011) survey argues that higher levels of assurance would improve the quality of SE information reported and suggest this is evidenced through high levels of restatement of SE reports which in turn indicates a higher standard. Pointedly, Buhr et al., (2014) raises concerns regarding low assurance levels particularly as this is an indicator of an organisation’s accountability.

Pennington and More (2010) believe assurance trends are negatively impacted through evaluating the cost versus benefits of SE reporting resulting in a focus on profitability or shareholder value. O'Dwyer and Owen (2005a) argue that SE reports are symbolic rather than rigorous due to the lack of assurance but the absence of assurance standards noted by Ball et al. (2000) further complicates this situation. Laufer (2003) echoes similar concerns relating to evidence of greenwashing identified within the literature, and suggests this is attributable to the lack of external monitoring or verification. If externally audited, Adams (2004) argues that the credibility of accounts could be improved although audited SE reports could also be used for legitimacy purposes (Potter, 2001). O'Dwyer (2011) poses another perspective; the financial motivation of the Big Four firms has resulted in their capturing the assurance market. Following the review of the literature the state of SE reporting in New Zealand is now discussed.

### **2.12 Social and Environmental Reporting Trends in New Zealand**

Academic findings including longitudinal research (Milne et al., 2001; 2003; Tregidga and Milne, 2006; Collins et al., 2007; 2010) and survey data (KPMG, 2008; 2011), identify that New Zealand top companies are 'starting behind' with poor SE reporting trends. In 2011, only 27 percent of NZX 50 companies made their SE reports externally available in comparison with 70 percent of globally-listed companies. Similar to New Zealand SE reporting trends, the 2011 KPMG survey illustrates that the assurance rates of New Zealand's publicly listed companies are also low at only 19 percent and ranking 30<sup>th</sup> from the 34 surveyed countries (Robertson, 2012). Therefore, of the publicly listed companies, only five (19 of 27 percent) produce and assure their SE reports. Robertson's (2012) master's thesis specifically documents the low levels of assurance within New Zealand business entities from 2001 until 2010. Through interviews, Robertson (2012) finds assurance is mainly stymied by a lack of perceived value and no stakeholder pressure. Furthermore, the lack of regulation is negatively impacting on assurance and SE reporting practices which are consequently lagging behind international counterparts.

Collins et al. (2007; 2010) research suggests the high number of SMEs within the New Zealand business environment is impacting on the uptake of sustainability-related practices, noting a number of barriers including: cost, management time, as well as knowledge and skill (see Lewis and Cassells, 2010). Research also suggests

that New Zealand business entities are paying greater attention to social rather than environmental reporting, that there is little internal or external pressure to report and there is an underlying focus on the business case as the predominant motivation for reporting (Collins et al., 2010). Eweje (2011) concurs with the above views finding that New Zealand business entities perceive the importance of SE reporting as transparency. However, the author notes the disparity between leaders and followers which is linked to the effects of the economic climate on sustainability-related practices (Eweje, 2011). The “soft approach” is tentatively proposed by Collins et al. (2010, p. 492) as best for encouraging the uptake of SE reporting practices in New Zealand. Furthermore, recent literature finds business entities in New Zealand do not want SE reporting regulated (Dobbs and van Staden, 2012). However, the low rate of SE reporting and assurance practices of publicly-listed companies raise questions regarding the likelihood of SMEs uptake of this practice and the need for regulation in New Zealand.

The types of reports have been changing over time (see Livesey, 2002; Springett, 2003). In the 2000s, New Zealand Business for Social Responsibility as well as the Institute of Chartered Accountants of New Zealand promoted TBL reporting (Milne et al., 2003; Chapman and Milne, 2004). Bebbington et al.’s (2009) study discusses the New Zealand government’s role in promoting SE reporting through part-funding a number of initiatives in the early 2000s. In 2002, the NZBCSD officially published a guide titled ‘*Business Guide to Sustainable Development Reporting*’ thus signaling an intention to promote SE reporting (Milne et al., 2009). This may have resulted in a number of founding members being involved in a case study promoting the practice of SE reporting (NZBCSD, 2001). At a similar time, the SBN and Ministry for the Environment (MfE) published a set of sustainable development reporting guidelines for SMEs (Bebbington et al., 2009).

Through the 2000s changes in New Zealand’s political landscape and the emergence of SBIs (the NZBCSD in 1999 and the SBN in 2002) put pressure on business entities to address sustainability-related issues, including SE reporting (Milne et al., 2009). Roper’s (2004) work identifies these pressures, predicting change in New Zealand would happen rapidly over the next decade. Milne et al. (2009) reiterate that the NZBCSD offer the business case as a motivator for engagement in sustainability-

related practices competing for power and political attention (see also Potter, 2001). The SBN does not appear to have a political role and is interested in individual members' "sustainability practices" (Collins, 2007; 2010, p. 481). Bebbington et al.'s (2009) research seeks to understand why some NZBCSD members initiated SE reporting. In 2003, they undertook semi-structured interviews with NZBCSD members who were involved in a "sustainable development reporting workshop series" (p. 588). The findings indicate members chose to publish SE reports as a differentiation strategy, with members perceiving some value in this practice. The influential role of SBIs, the NZBCSD and the SBN, is acknowledged by a number of authors (Milne et al., 2003; 2009; Roper, 2004; Bebbington et al., 2009) and one might have expected SE reporting to have become a prevalent practice in New Zealand. Instead, recent research highlights the lack of diffusion of the practice of SE reporting (Collins et al., 2007; 2010) and that few SBI members consistently produce externally available SE reports (Milne et al., 2011).

Academics have found that SBIs do influence sustainability-related practices (Collins, 2007; 2010). An example of the role SBIs fill is that of practical engagement and holding events, such as awards, which have influenced the sustainability-related practices of business entities (Eweje, 2011). However, this influence is limited in relation to SE reporting. In spite of the low number of SE reporters in New Zealand, there are some business entities that have been held up as 'best practice reporters' with the potential to extend this influence (Milne et al., 2003). Tregidga and Milne (2006) note Watercare Services as a consecutive winner of awards, from 1995-2000, suggesting this leadership position influences their evolving SE reporting practices. Landcare Research is also perceived as a promoter of SE reporting, winning awards for their reports (Chapman and Milne, 2004). Watercare Services, Landcare Research and The Warehouse have been cited as including an increased focus on stakeholder engagement (Milne et al., 2003). Watercare continues to gain awards which recognise their excellence in SE reporting (Watercare, 2012b). However, 'good' reporters in New Zealand are limited to approximately five organisations that produce and assure their SE reports, a position unchanged since the mid-1990s (see Gilkison, 1995-2003).

### **2.13 Chapter Summary**

This chapter offers an overview of SE reporting. The importance of SE reporting is attributed to sustainability issues, the mismatch of business power with their

responsibility to society and the need to provide accounts to stakeholders. The literature illustrates a complex range of influences on, motivations for, and barriers to SE reporting practices. However, it appears that SE reporting is largely driven by the business case, not accountability. The role and influence of international bodies was discussed as were the difficulties enforcing SE reporting quality while still a voluntary activity, with no assurance requirements and little pressure from stakeholders or regulatory bodies. The KPMG survey data illustrates the significant uptake of SE reporting in other countries in comparison with New Zealand.

Presenting the background literature and the KPMG survey data led to a discussion about the low uptake SE reporting by New Zealand business entities and this motivates the first research question:

- Why have social and environmental reporting practices among New Zealand business entities not become more widespread and institutionalised, when they so clearly seem to have done so in many other countries?

The literature review also highlighted gaps relating to the role of SBIs in institutionalising SE reporting. Collins et al.'s (2007; 2010) research encompasses the influence of the SBN on New Zealand business entities' sustainability-related practices, not specifically focused on SE reporting. Milne et al. (2009) explore the role of SE reports and how business interests, the NZBCSD and members, through reporting have constructed the sustainability discourse reinforcing 'business as usual'. Bebbington et al.'s (2009) research focuses on the SE reporting practices at the organisational, not field, level including some discussion of the influence of the NZBCSD. Hence, this background literature motivates the second research question:

- What is the role of New Zealand Sustainable Business Intermediaries in institutionalising social and environmental reporting practices in New Zealand and to what effect?

The following chapter discusses the research theoretical framework, neo-institutional theory, its previous application in the field of sustainability-related practices including SE reporting, and the rationale for its use in addressing the above research questions. Subsequently, the Research Method is outlined in Chapter Four.

## Chapter 3 - Theoretical Framework

### 3.1 Chapter Overview

This chapter discusses neo-institutional theory (NIT), the theoretical framework used within this research. The first section outlines the origins and approaches of NIT for understanding institutions and the process of institutionalisation. The key tenets of NIT are presented including seminal authors' perspectives and previous application of these concepts. The second section reviews prior literature utilising approaches from the lens of NIT focused on sustainability-related practices, specifically SE reporting. The final section discusses the rationale for the lens of NIT and highlights literature gaps.

### 3.2 Neo-Institutional Theory

NIT has evolved from institutional theory. In broad terms, institutional theory is defined as “consider(ing) processes by which structures, including, schemas, rules and routines become established as authoritative guidelines for social behaviour” (Scott, 2009, p. 460). The origin of institutional theory lies in the social sciences and is linked to organisational studies or analysis through the following disciplines: economics, political science and sociology (Scott, 2004b; 2009). Although the predominant focus of institutional theory is stability and order according to Scott (2009), conflict and change is also an inevitable aspect. However, the assumptions of institutional theory are narrowly based on the rational-actor economics focused perspective and the congruence of institutions being explained by competitive isomorphism, “least-cost, efficient structures and practices” resulting in institutional theory losing popularity in the accounting literature (Moll et al., 2006, p. 187). Thus, through challenging rational theories of organising, NIT emerged (Barley, 2008).

In contrast with institutional theory, NIT focuses on the “non-technical environment...meanings, culture and symbols” (Zilber, 2008, p. 154). This includes external factors that shape organisational structures and procedures as well as internal practices (Scott, 2004a; Larrinaga, 2007). Dobbin (1994) succinctly states that NIT seeks to grasp “social practices that generate universal laws” (p. 123), not the converse. However, Suchman (1995) proposes that “external institutions construct and interpenetrate the organisation in every respect” (p. 576). These broader influences include the social, political and economic issues that “define the

organizational context” (Dillard et al., 2004, p. 511), having an impact on the organisational field and practices within an organisation. As such, NIT challenges the so-called rationality of organisations (executives) behaviour (Meyer and Rowan, 1977). Furthermore, the success and survival of organisations is emphasised through legitimacy rather than efficiency (DiMaggio and Powell, 1983; Meyer and Rowan, 1977; Tolbert and Zucker, 1983).

Three papers mark the divergence of NIT from institutional theory (see Meyer and Rowan, 1977; Meyer, 1977 and Zucker, 1977). Meyer and Rowan and Zucker argue that universal laws of organisational efficiency are independent from social practices that emerge for complex historical reasons. Meyer and Rowan (1977) suggest the structure of organisations reflect a socially constructed reality while Zucker (1977) explains how institutions persist from a cultural perspective. Early NIT authors did not define institutions, therefore, this research utilises a more recent definition. Institutions are “more or less taken for granted repetitive social behaviour that is underpinned by normative systems and cognitive understandings that give meaning to social exchange and thus enable self-reproducing social order” (Greenwood et al., 2008, p. 5). This definition is broad and suggests that the approach of NIT allows for explanations for the reproduction of social order through “micro interpersonal interactions” as well as from “macro global frameworks” (Scott, 2009, p. 461).

### **3.3 Macro and Micro Perspectives**

The macro perspective of NIT is utilised to better understand the creation, diffusion, adoption and adaptation of structures, over space and time, as well as understanding their decline and disuse, thus being outcome-oriented (Zucker, 1977; Scott, 2009). Structure is the outcome of the process of institutionalisation (Zucker and Darby 2009, p. 549). A key focus of Meyer and Rowan’s work is the idea that organisations are embedded in institutionalised contexts – “the rules, norms, and ideologies of the wider society” (1983, p. 84). The macro approach developed from the original proposition that organisations operate within a single institutionalised environment through the idea of multiple institutionalised environments or contexts. This approach is further developed through understanding key differences between the institutional and technical environments. Meyer and Scott (1983) propose that an organisation must conform to “rules and requirements” in order to receive legitimacy from the (institutional) environment.

In contrast, the technical environment results in an organisation being output and efficiency focused. Tolbert and Zucker's (1983) work notes debate within the literature regarding whether organisations are rational actors<sup>24</sup> seeking efficiency and requiring effectiveness, following adoption of a practice, or simply captives of the institutional environment. The authors find rapid exogenous change through government mandate whereas endogenous change occurs with a gradual process of diffusion through social influence. Their work illustrates how various conditions alter diffusion rates and legitimate institutional structure.

The influence of relational networks is also proposed within Meyer and Rowan's (1977) work. Relational networks facilitate the development of structures that promote efficiency or competitive advantage. Through the interconnectedness of relations, social, organisational and leadership, an institutionalised context results. Ultimately formal structures arise. Meyer and Rowan's (1977) work is narrowly focused on not-for-profit (public sector) organisations and neglected institutionalisation from interested individual actors. However, later work proposed that NIT is equally applicable to all organisations, recognising that cultural aspects are not mutually exclusive (Powell, 1991).

Meyer and Rowan (1977) define the process of institutionalisation as "social processes, obligations, or actualities come to take on a rule-like status in social thought and action" (p. 341). This definition highlights the socially constructed nature of institutions, individuals and organisations through to laws that govern these institutions. The micro perspective considers how an agent's behaviour or action reinforces, maintains or alters structures, thus, it is process-oriented (Zucker and Darby, 2009). This approach draws from a theory of practical action emphasising the importance of the cognitive dimension of action (DiMaggio and Powell, 1991). Furthermore, DiMaggio and Powell (1991) identify the approach as being focused on

---

<sup>24</sup>NIT commonly uses the term 'actors' to describe individuals or organisations within the organisational field who, through their roles, positions and interactions, have the potential to influence practices within organisations. Powell and Colyvas (2008) raise concerns with the use of the term 'actors' to characterise both individuals and organisations citing this as referencing "purposeful, muscular rather free actors, unembedded in their surrounding context" (p. 277). Hence, the term 'actors' is used within this chapter to align with the terms used in the broader literature being reviewed but the term actors is transposed to 'players' in the following chapters.

processes and schema, as practices become institutionalised; action is bound with, and subordinate to, cognition (see Simon, 1945; Garfinkel, 1967; Giddens, 1984).

Zucker (1977) explains how individual actors or actions result in cultural persistence of institutions, highlighting that institutionalisation is neither present nor absent. Instead, Zucker (1977) defines institutionalisation as a variable. She utilises an experimental design in order to test the degree of institutionalisation in determining cultural persistence. After assessing three aspects of persistence, transmission of the culture, maintenance of the culture and degree of resistance to change, Zucker (1977) proposes that highly institutionalised actions are more likely to be uniform, maintained and less likely to be resisted. Hence, institutionalised acts do not require incentives or negative sanctions because the end result may be deinstitutionalisation – or resulting change (see Tolbert and Zucker, 1983).

Seminal authors also proposed the development and persistence of institutions from a combination of macro and micro level; suggesting they are “inextricably linked” (Zucker, 1977, p. 85; Meyer and Rowan, 1977). DiMaggio and Powell’s (1983) work compared macro-social theories, or institutions, influence on organisational structures with micro-level views whereby individual actors’ decisions impact on future institutions. The authors conclude that neither single approach explains the structural similarities in organisations contending a combination of approaches is more appropriate. DiMaggio and Powell (1991) further comment on the social construction of processes and structures stating, “Institutions might result from human activity, and are deemed to influence human activity, but institutions do not necessarily emerge from conscious human design” (p. 8). Institutions not only constrain agent’s behaviour, institutions are products of agent’s behaviour (DiMaggio and Powell, 1991).

### **3.4 Change, Actors, Power and Resistance**

The merits of NIT for explaining change is debated within the literature with prior research predominantly focusing on stability; practices are examined at a point in time and as such research is outcome-focused (Dillard et al., 2004). However, conflict and change are argued as an inevitable aspect of NIT (Jepperson, 1991; Scott, 2009), hence the current focus on process-oriented research. Greenwood and Hinings (1996) work proposed a framework, from the perspective of NIT, as an explanation for

organisational change within organisations and their fields. Scott (2001) views deinstitutionalisation as important for understanding change noting that as practices weaken and disappear there is likely to be emergence of another (Dacin et al., 2002). Similarly, Hoffman (1999) suggests institutional change holds promise and might lead to better understanding institutionalised practice. Seo and Creed (2002) propose using a dialectical perspective which offers the opportunity to understand institutional change. Outcomes result from the interaction of institutional contradictions, tensions and conflicts within a social system, and human praxis (agency).

Authors propose that actors, individuals or organisations, actively shape and potentially resist institutions (Zucker 1977; 1987; Tolbert, 1985; Tolbert and Zucker, 1983; Dillard et al., 2004). DiMaggio and Powell (1983) highlight aspects of power within structures and organisations (e.g. political power, power relations within organisations and professional power) affecting change. Dillard et al. (2004) encompass these ideas proposing that the “prominence of power, special interests and the political nature of the social context” (p. 533) allow for further understanding and raises important questions. Scott (2004b) alludes to forms of power through suggesting that key actors may guide action but do not necessarily determine it. Similarly, Dillard et al. (2004) highlight the power actors have to influence the institutionalisation of practices may determine the outcome of this process. Hardy and Maguire (2008) note the role of actors within the field, through their positions, whether individuals or structural, not the actors themselves, allow them, or not, to “exercise power - in and on – a particular field” (p. 201).

In 1992, Oliver notes that NIT theorists had not yet comprehensively focused on resistance, activeness or political manipulation, as a response to external pressure. Oliver’s hypotheses suggest that resulting institutions are dependent upon: the cause of the pressure, who is exerting the pressure, the content of the pressure, control over the pressure and the institutional context. Similarly, Lawrence (2008) claims the literature has overlooked actors that “compromise, avoid or defy systems of institutional control or episodes of interested agency” (p. 189). He calls for work to investigate strategies of resistance employed by individuals and organisations. Similar to Oliver (1991), Lawrence (2008) notes that political power is attributed to institutional control, agency and resistance within an organisational field. In

combination, the previous factors “significantly determine the evolution of institutions, networks and subject positions that structure the experiences and opportunities of actors” (p. 192). However, Jepperson (1991) claims that institutionalisation and action contrast. He proposes that “one *enacts* institutions; one takes action by departing from them, not by participating in them” (p. 149 – emphasis added). Hence, action equals resistance. The consideration of power and resistance is inevitable within NIT with the interaction of actors within the organisational field.

### **3.5 The Organisational Field**

The organisational field is a key tenet of NIT (Warren, 1967; Scott, 1991). The organisational field is defined as consisting of “a community of organizations that partakes of a common meaning system and whose participants interact more frequently and fatefully with one another than with actors outside the field” (Scott, 1995, p. 56). DiMaggio and Powell (1983) note that within some areas fields may be highly diverse but they may also be “extremely homogenous” (p. 156). Scott (2009) views the organisational field as a structural concept, attributed to Bourdieu and further developed by DiMaggio and Powell (1983; 1991). Fields develop through actors referencing others – what is known as a relational non-topographical space (Mohr, 2005; Wooten and Hoffman, 2008). Specifically, organisational fields help bound the environment within which institutional processes operate (Scott, 2009). However, Hoffman (1999) argues that fields are not necessarily defined around actors and he identifies the existence of ‘issue-based’ fields.

Approaches to understanding influences within the organisational field on institutionalisation are broad and include a variety of actors: individuals, organisations and the organisational field itself. McCarthy and Zald’s (1977) study indirectly draws from differing levels of the organisational field in order to understand the interaction among social movement organisations. However, the primary focus of NIT is suggested as interactions between and among actors within the organisational field and their influence on practices within organisations (Scott, 1991; Greenwood et al., 2008).

#### **3.5.1 Institutional Entrepreneurship (Agency)**

Actors within the organisational field determine the construction and influence of institutions, and institutionalised practices (Scott, 1991). Authors investigate institutional entrepreneurship defined as “activities of actors who have an interest in

particular institutional arrangements and who leverage resources to create new institutions or to transform existing ones” (Maguire et al., 2004, p. 657). This literature encompasses field conditions as they include uncertainty resulting in tensions and conflict among field members and consequently changes in field boundaries and institutions (Hardy and Maguire, 2008). Thus, actors frequently leave or join fields or they might belong to multiple fields bringing new ideas, engaging existing actors and reconstructing the field through collective action (Hardy and Maguire, 2008). Wooten and Hoffman (2008) suggest this changing makeup of the field alters interaction among the actors impacting on the power balance. Furthermore, the collection of actors within the field alters the state of the field whether it is emerging, mature and stable or in crisis. The former and latter states are suggested as presenting the best opportunities to research from an institutional entrepreneurship perspective (Hardy and Maguire, 2008).

### **3.5.2 Organisations**

From an organisation perspective NIT is used to consider how concepts or practices are understood, developed and diffused among organisations. Dillard et al. (2004) propose that NIT is useful for considering how organisational level action may have a ‘bottom-up’ influence (i.e. on the organisational field or societal level). However, the ‘diffusion of practices’, through institutional isomorphism may well be distinct from an organisation’s ‘motivations for adopting practices’ and not necessarily related to legitimacy (Meyer and Rowan, 1977). Scott (2009) notes his early work investigated the normative influence through the role of unions and professional associations in shaping behaviour or practices within organisations. Similarly, Greenwood et al. (2002) examine the role of professional associations within an organisational field on legitimating change. These authors suggest that once organisations accept normative expectations professional associations can fill a coercive role.

### **3.5.3 The Organisational Field and Societal Sector**

Within empirical studies utilising NIT there is a division between the organisational field and the societal sector (Boxenbaum and Jonsson, 2008). DiMaggio and Powell (1983) suggest once an organisational field becomes established; organisations and their practices become increasingly institutionalised. Meyer and Rowan (1983) propose that formal structures are influenced through the institutional environment and relational contexts or networks. However, Djelic and Quack (2008) suggest

studies at the organisational field level are often limited in their scope, focusing on the local or industry level. Jennings and Zandbergen (1995) note the importance of the organisational and societal field for diffusing practices. A field becomes established within a particular locality but can also become global as they grow (Jennings and Zandbergen, 1995). Scott and Meyer (1992) and DiMaggio and Powell's (1983; 1991) theorisation of organisational fields includes inter-organisational relationships that, according to Bourdieu, may be a 'subfield' of, and help compose, societal-level fields or institutions.

Warren (1967) introduced the idea of a societal sector - multiple fields with hierarchical relationships, horizontal and vertical (Scott and Meyer, 1992). In contrast, the organisational field is relational and viewed as non-hierarchical. Societal sector studies consider the institutional environment as being external to the organisation with technical change occurring rather than organisational action. Jennings and Zandbergen (1995) also attribute the concept of societal fields to Bourdieu and Wacquant (1992) and Giddens (1984) whereby participants define and extend the meaning of different capitals as including individuals, corporations and states. Meyer and Scott (1983) apply their understanding of institutionalisation through sectors that encompass local, national and international actors. Empirical evidence of this is found within Kostova and Roth's (2002) study – which focuses on a multinational corporation's expectation of its subsidiaries' adoption of practices. Similarly, Jennings and Zandbergen (1995) propose that societal fields have three forces that shape practices, the nation state, social movements and innovations among sets of organisations. Overall, Scott (2009) reflects that institutional forces are strongest within fields thus they are “most readily examined” (p. 463).

Hoffman's (1999) work approaches the process of isomorphism within an organisational field from an 'issue-based' perspective. He argues that the interaction of key actors sharing information and developing awareness arguably leads to institutionalised practice identified as normative and cultural-cognitive or mimetic influences. Hoffman's (1999) proposition infers that, through interaction, the influence of individual or organisational actors within global fields influences structures and processes within local fields as well as practices within organisations, concurring with Jennings and Zandbergen (1995).

### 3.6 Institutional Isomorphism

A broader definition of the organisational field encompasses the pillars of isomorphism “a group of organizations that interact with one another and that are subject to the same regulative, normative and cognitive institutional constraints” (Palmer et al., 2008, p. 742). A key tenet of NIT, institutional isomorphism is defined as, “a constraining process that forces one unit in a population to resemble other units that face the same set of environmental conditions” (DiMaggio and Powell, 1983, p. 149). The lens of NIT considers the process of institutional isomorphism from the perspectives of various actors within the field. Isomorphism “addresses the structural determinants of the range of choices that actors perceive as rational or prudent” (DiMaggio and Powell, 1983, p. 149).

Through the pillars of isomorphism NIT offers explanations for change within organisations or practices becoming institutionalised. DiMaggio and Powell (1983) propose hypotheses for ascertaining the responses of organisations, within a field, to isomorphic pressures within institutionalised environments. Scott (1995) suggests there are various carriers for institutions - “cultures, structures and routines” - influenced at various levels (p. 33). The mechanisms and antecedents for isomorphism proposed by DiMaggio and Powell (1983) include coercive, normative and mimetic pressures.

#### 3.6.1 Coercive Pillar

Coercive or regulative isomorphism considers how organisational practices are influenced, either formally or informally through an organisation that commands some form of power or through societal expectations (DiMaggio and Powell, 1983; Scott, 2009; Dillard et al., 2004). Scott (2009) suggests that the regulative pillar comprises rules, laws or sanctions; practices are influenced coercively. The antecedent for this pillar is political influence and according to Meyer and Rowan (1977) adoption of a practice, at a certain stage, provides legitimacy, rather than efficiency. Both Larrinaga (2007) and Scott (2009) agree, proposing that legitimacy is apparent within this pillar through organisations conforming to legally sanctioned regulations. Applying case studies within specific contexts have led to a number of authors identifying regulations and/or stakeholders as examples of coercive pressure, resulting in the convergence of practice (e.g. environmental disclosures) (see Buhr and Freedman, 2001; Cormier et al., 2004).

### 3.6.2 Normative Pillar

Normative isomorphism is often explained as external pressures associated with the antecedent of professionalism (DiMaggio and Powell, 1983). However, normative isomorphism can also be exercised through internal pressure (Zucker, 1987; Pfeffer, 1981). The rationale for the normative pillar is that certain practices are expected within or among organisations, such as shared social norms or values being adapted to, or acceding to societal and organisational rules, through a legitimate authority (Scott, 2004b). Individuals also follow expectations about ‘doing the right thing’ (Higgins and Larrinaga, 2014). Legitimacy is morally governed within the normative pillar (Scott 2009, p. 465). There is a significant body of recent literature that utilises the normative approach to explain the diffusion of practices within organisations. For example, Newell and Clark (1990) and Swan and Newell (1995) investigate the role of professional associations for the diffusion of technology emphasising normative processes. Greenwood et al. (2002) utilise the normative pillar arguing the importance of the role of professional associations in legitimating change through diffusion. Similarly, Robertson et al. (1996) sought to understand technology diffusion finding that both mimetic and normative processes are evident within organisations “network activity” (p. 357). Internal normative pressures or contextual variables (Adams, 2002) are also a key influence on organisations’ practices and is evident within the literature (see Collins et al., 2007; 2010; Bebbington et al., 2009).

### 3.6.3 Mimetic Pillar

Mimetic isomorphism considers how one organisation may copy another organisation’s success hoping to attain a competitive advantage and/or legitimacy in an uncertain environment (DiMaggio and Powell, 1983). Scott (2009) views legitimacy within this pillar as culturally supported, understandable and recognisable. Early adopters of institutions are viewed as seeking efficiency but authors note that motivations behind isomorphic institutions may not result in more efficient organisations (DiMaggio and Powell, 1983). Cyert and March (1963 cited in DiMaggio and Powell, 1983, p. 151) suggest that copying another’s behaviour or practices may be an affordable response when business entities are confronted with problems without clear solutions. DiMaggio and Powell (1983) propose that organisations seek survival and legitimacy through adopting structures and practices from the institutional environment – mimicking practices of other organisations

within the field – a strategic response (Oliver, 1991). DiMaggio and Powell (1983) also suggest the application of institutional isomorphism provides perspective on “the political struggle for organizational power and survival” (p. 157). Fligstein (1987) furthers this idea suggesting actors’ ability to gain power is a result of external events and internal problems. His findings suggest actors mimic perceived successful structures and strategies within firms in similar environments.

Early work within NIT focused on the regulative and normative pillars whereas latter work included mimetic or cultural-cognitive processes. In contrast with DiMaggio and Powell (1983), Scott (2009) advocates the cultural-cognitive (mimetic) pillar as a key focus of NIT, prioritising it over the regulative and normative pillars. Scott (2009) uses this approach suggesting the cultural aspect recognises that the meanings of symbolic systems are both ‘emotional and substantive’, as well as ‘stable and constraining’. However, Swidler (1986) argues against this suggesting that in unsettled cultural periods differing actions can be modelled. Scott (2009) proposes the cultural-cognitive aspect alerts us to how individuals make sense of the world and the important influence of contextual factors on their decision-making (see Weick 1995; Garfinkel, 1967; Goffman, 1974). Findings in the literature suggest in combination, the effect of mimetic and normative pressure is greater but without coercive pressure institutionalisation of practice is often ‘weak’ (Jennings and Zandbergen, 1995; Bebbington et al., 2009; Scott, 1995).

#### **3.6.4 Decoupling and Ceremonial Conformity**

Within NIT several other concepts have developed in response to the diffusion of institutions through the process of isomorphism. These include decoupling and ceremonial conformity. Meyer and Rowan (1977) define decoupling as a deliberate disconnection between organisational structures that enhance legitimacy and organisational practices that are believed within the organisation to be technically efficient. The authors propose that in order to gain legitimacy organisations conform to isomorphic pressures - thus presenting a rational appearance. Meyer and Scott (1983) attribute a firm’s focus on legitimacy to that of survival. Furthermore, Meyer and Rowan (1977) suggest conforming to institutional rules may conflict with an organisation’s technical efficiency. Thus resulting in ‘ceremonial conformity’ (Meyer and Scott, 1983; Zucker, 1987). For example, Seidman (1983) finds coercive pressure from the government on the education system in America has been resisted and

resulted in decoupling. Similarly, Kostova and Roth (2002) find ceremonial adoption (or decoupling) of organisational practices occurs within regulatory contexts with greater coercive pressures on subsidiaries of multinational companies. Westphal and Zajac (1994) find evidence of decoupling with late adopters of long-term incentive plans pursuing legitimacy through symbolic practices.

### **3.7 Neo-Institutional Theory and Social and Environmental Reporting Literature**

This section reviews extant literature utilising the approach of NIT<sup>25</sup> to explain sustainability-related practices, including SE reporting. Literature that seeks to understand how the pillars of isomorphism influence or institutionalise SE reporting is presented first. This is followed by literature explaining the influence of actors within the organisational field on SE reporting. Conducting this review enabled gaps in the literature to be identified and this further informs the research questions.

#### **3.7.1 Institutional Isomorphism**

Several authors have used a macro approach, using the pressures of isomorphism as an explanation for the convergence of business entities' environmental disclosures or SE reporting. Buhr and Freedman (2001) employ a macro, or outcome-focused approach. The authors conduct a longitudinal comparative study of US and Canadian companies with their findings pointing to the role of cultural and institutional factors in motivating environmental disclosures. Buhr and Freedman (2001) note country differences including history, geography, political system, legal system and business climate as affecting different disclosure responses. Buhr and Freedman (2001) find businesses in the US have greater regulated disclosure requirement resulting from the "litigious environment" (p. 312); whereas, Canadian business entities voluntarily disclose environmental information and this is attributed to stakeholder influence and interest. Factors influencing disclosures were found to be Canadians' awareness of their natural environment, the smaller population, concentration of ownership of businesses as well as the cultural and institutional setting. Combined, Buhr and Freedman (2001) suggest these factors influence more rapid social change. This finding is similar to Cormier et al. (2004) who note that public pressures change over time altering firms' disclosures and can directly impact on costs to firms – therefore business entities employ the strategy of disclosure to reduce likely costs of regulation.

---

<sup>25</sup> The literature reviewed within this section uses NIT as the lens although the authors do not always explicitly state this.

Similar to Buhr and Freedman (2001), Kolk (2003) utilises the approach of NIT to explain how SE reporting practices are increasingly institutionalised within large business entities in western countries whether through regulations or voluntarily. Kolk et al. (2008) explain how coercive pressure is an influence on the carbon reporting practices of business entities. However, the authors suggest pressure through institutional investors (stakeholders), to achieve global reporting coverage, is weak and arguably needs regulatory backing (see Larrinaga et al., 2002). This is also evidenced in Cormier et al.'s (2004), study of German firms with disclosures converging over time. Kolk and Perego (2010) find greater demand for assurance services in stakeholder-oriented countries with weaker governance enforcement and where market and institutional mechanisms better enable sustainability-related practices. In contrast, lower assurance levels are found for companies in the US that are exposed to high compliance and litigious environments. In a similar vein, Buhr and Freedman (2001) and Cormier et al.'s (2004) research offer an understanding of how contexts influence SE disclosures and their convergence. Fortanier et al. (2011) find multinational companies adhere to global SE reporting standards, coercive pull, with the role of domestic institutions diminishing. However, the statistically-based methods these studies employ do not offer rich explanations of how the process of institutionalisation occurs instead they focus on the outcome of institutionalisation.

There are limited research findings identifying normative pressure as a singular explanation for SE reporting practices becoming institutionalised within an organisational field - process or change oriented. Higgins and Larrinaga (2014) discuss the influence of SE reporting frameworks, specifically the GRI, as offering normative and mimetic pressure but with underlying coercive pressure. Goswami and Lodhia (2012) take a case study approach utilising semi-structured interviews and content analysis to explain the SE reporting practices of four local councils in South Australia. Although normative isomorphism is noted through the council's use of best practice guidelines - the GRI - the findings point to apparent coercive pressure deriving from the council's strategic plan. Mimetic isomorphism across the councils is also evident (Goswami and Lodhia, 2012).

Other authors attribute the influence of the GRI to institutional entrepreneurs. Brown et al. (2009) examine the GRI organisational field explaining that the founders (agents) affected the process of institutionalisation, reproducing power relations but not mobilising social action. Similarly, Levy et al. (2010) attribute institutional entrepreneurs for the success of the GRI but note its declining influence. Etzion and Ferraro (2010) also study the emerging GRI field and find institutional entrepreneurs use language as a means to promote change. The authors suggest normative pressure is evident in the early stages of institutionalisation, stressing conformity and promoting legitimacy but the coercive role is lacking due to financial constraints. Ball and Craig (2010) advance the normative perspective, utilising NIT and Lounsbury's institutional toolkit (1997), to illustrate how changes in SE reporting require shifts in habits and routines and values and interests at the organisational and societal level in response to social and environmental issues (see Hoffman, 1999; Levy and Kolk, 2002).

Within the diffusion and innovation literature, Professional Associations are illustrated as having a (external) normative influence on organisations' practices. In a similar vein, academics point to the normative influence and role of Business Associations on SE reporting practices. However, Gray (2007) suggests the predominant focus of Business Associations is on avoiding change, specifically thwarting regulation. Jennings and Zandbergen (1995) propose that industry specific Business Associations have normative and mimetic influences that work together within organisational fields, for the adoption of ecological practices. However, the authors suggest it is difficult to determine where normative values begin, such as conformance to industry standards, and mimicry ends, that is, an organisations belief in competitive advantage.

Bansal's (2005) study is broad, focusing on the factors that influence corporate sustainable development. The findings indicate that initially media and cultural-cognitive isomorphism, through mimetic pressure, influences the corporate focus on sustainable development. However, Bansal (2005) suggests resource-based opportunities become more apparent as sustainable development becomes institutionalised. Cormier et al.'s (2004) study is based on hypothesis testing utilising control, explanatory and dependent variables in order to identify drivers, such as

imitation and routine for disclosures of environmental practices. The authors explain the quality of environmental disclosures is related to public pressure and “conditioned by industry membership” (Cormier et al., 2004, p. 32). Cormier et al. (2004) suggest that social structures may constrain actor’s behaviour but also replicates and transforms structures that intersect across organisations – sharing them across different organisations. This is explained through imitation, essentially mimetic pressure. Routines are driven by institutional pressures – codified and repeated actions, such as repeated historic disclosures within an environmental report – illustrating conformity to stakeholder expectations. However, similar to Buhr and Freedman (2001), Cormier et al.’s (2004) study did not map the organisational field and Gray et al. (2010) would argue the methods are not consistent with the lens of NIT.

### **3.7.2 The Organisational Field**

Higgins et al. (2014) suggest fields can be identified around important issues, specific industries and organisational strategies, such as sustainability. Jennings and Zandbergen (1995) offer four hypotheses for determining the usefulness of NIT as an approach to understanding the role of organisations for developing and diffusing sustainability-related practices. The authors examine the diffusion of water quality standards within an organisational field. Jennings and Zandbergen (1995) draw from DiMaggio and Powell, (1991) critiquing the theory’s reliance on isomorphism, specifically noting the contrast between explaining the diffusion of practice while promoting innovation. However, Jennings and Zandbergen (1995) suggest development of the organisational field, across fields, sectors, around different communities and issues would address this through encouraging diversity or innovation. Higgins et al. (2014) investigate non-reporting firms in Australia finding SE reporting is common in an issue-based field and that practices may diffuse as other firms move in to this field. However, the authors question whether a combination of isomorphic pressures is required to further SE reporting.

Cormier et al. (2004), drawing from Scott’s (1995) cultural-cognitive pillar, suggest that the emergence and survival of an institution depends upon social structures and routines explained as expectations derived from positions or roles of players within a particular social network – an organisational field. Similarly, Kolk et al. (2008) find

according to the role of dominant actors carbon disclosures are influenced, promoted or resisted. Furthermore, disclosures that are deemed important by an organisation are specific to the firm's organisational field (Kolk et al., 2008). Aerts et al. (2006) find mimetic pressure in an organisational field of highly concentrated industries is weakened through public media exposure. Furthermore, underlying coercive pressure may be evident through economic factors. Jennings and Zandbergen (1995) propose that greater coercion, direct and indirect, results in greater likelihood that organisations adopt practices within a field. However, the authors note with concern that coercive pressure can create a loss of normative values for influencing sustainability-related practices.

Rahaman et al. (2004) provide evidence of how SE reporting can be influenced within an organisational field – through the regulative pillar, with other (negative social) implications. The authors start with previous authors' premise<sup>26</sup> that NIT illuminates accounting practice in organisations and society. Rahaman et al. (2004) utilise NIT and Habermas legitimation to examine SE reporting practices within a case study setting in Ghana. This work identifies how the World Bank influenced an organisation's external reporting practices through their funding requirements. The findings also illustrate ceremonial conformity or decoupling (Scott, 2004b) similar to the findings of Milne et al. (2009) "an illusion of change" (p. 24). Rahaman et al.'s (2004) work highlights the negative impacts on the local population, evidenced through the pricing of electricity being beyond the reach of the local market as well as incongruence with development goals, not being captured or exposed within the accounting system. Furthermore, organisational responses are not necessarily uniform and there are different expectations for different types of organisations (Tolbert, 1985, p. 2, cited in Dillard et al., 2004).

Bebbington et al. (2009) use a NIT framework for explaining the SE reporting practices of six members of the NZBCSD after the members attended a SDR workshop series in 2003. The authors draw from Bansal and Roth (2000) who argue that responses from organisations within a highly cohesive field will adopt practices. Bebbington et al.'s (2009) findings concur with that of Jennings and Zandbergen

---

<sup>26</sup> See Covalleski et al. (1993; 1996); Hoque and Alam, (1999) and Scapens, (1994).

(1995) who note that through membership of an association both normative and mimetic pressures are present. In a similar vein, Adams and McNicholas (2007) found mimicry was used as an explanation for SE reporting within an organisational field with perceived successful practices being copied; an organisational strategy (Higgins et al., forthcoming). However, in contrast with Hoffman (1999) and Jennings and Zandbergen (1995) proposition that organisational actors within global fields influence local fields, Bebbington et al. (2009) find diverging SE reporting practices between members of the WBCSD and NZBCSD. Thus raising questions as to why, and/or how, organisations within this organisational field, members of the NZBCSD, resisted the institutionalisation of SE reporting, elsewhere occurring within the WBCSD.

Milne et al.'s (2009) work questioned how the NZBCSD through discourse, including SE reporting, has positioned itself as a leader in the field of sustainability. Similarly, Bebbington et al. (2009) questioned whether the NZBCSD, a key actor within the organisational field, understood how influential their role is, or could be. The authors found this field to be fragile evidenced by weak normative and coercive pressure and posed the following two questions. First, could normative pressure be advanced if, for example, the NZBCSD aligned with other key actors within the field, on the edge of the field, or new entrants to the field, for example activist groups such as Greenpeace as noted by Cormier et al. (2004). Second, how can leadership opportunities within an organisational field be used to encourage mimetic behaviour? The perspective of NIT raises further questions as to why, and/or how business, specifically member entities within this organisational field have resisted the institutionalisation of SE reporting. The following section explains why NIT informs this research.

### **3.8 Rationale for Theoretical Approach**

Social-political theories including stakeholder and legitimacy and NIT provide a mechanism from which to explain organisational behaviour and practice as it evolves over time through societal changes. These perspectives are relevant to the research because they encompass the “political, social and institutional frameworks” that organisations operate within and are affected by (Cormier et al., 2004, p. 7). Stakeholder theory views the organisation-society relationship from a managerial perspective whereas legitimacy theory takes a societal perspective. The lens of NIT offers the opportunity to explore rich explanations for changing social practice within

an organisation through encompassing culturally informed contexts – social, political and economic. Hence, NIT considers structures and practices that became institutionalised over time (Scott, 1995) offering a lens to explain pressures that have the potential to institutionalise the practice of SE reporting.

Reviewing the literature highlights how NIT has previously been used for understanding influences on sustainability-related practices, including SE reporting. These include macro or structural approaches focusing on context specific cases. Prior research predominantly utilises content analysis and statistically focused methods which is argued as being inconsistent with the lens of NIT (Gray et al., 2010). Other studies focus on macro/micro level aspects of NIT including the organisational field (Rahaman, 2004), issue-based fields (Hoffman, 1999), the pillars of isomorphism (Jennings and Zandbergen, 1995; Bansal, 2005; Goswami and Lodhia, 2012), institutional entrepreneurship (Kolk, 2008), and an organisational level study (Bebbington et al., 2009).

Several areas of NIT are identified as missing within contemporary literature. The difference between diffusion of practices within organisations, or among members of an organisational field and the motivation for these organisations adopting practices has not been emphasised. Furthermore, the various forms of power, political power, power relations within organisations and professional power, held by key actors within a field (DiMaggio and Powell, 1983) is missing (Hinings and Greenwood, 2002; Dillard et al., 2004) as well as resistance to institutionalised practices (Oliver, 1992). Finally, few studies feature interview-based methods or immersion within the organisational field.

Broadly, the approach taken in this research encompasses macro and micro level influences on practices within an organisational field but from the perspective of key actors. This approach offers the opportunity to understand the changing dynamics within an organisational field. This will facilitate a better understanding of the importance of the field and how its structure contributes to practices and relationships (power and resistance) within, between and among actors. Furthermore, this approach encompasses the process of institutionalisation as well as the outcome of institutionalised practice seeking to understand the lack of institutionalisation. Thus,

the pillars of isomorphism, coercive, normative and mimetic, are an important aspect utilised within this research as lenses for understanding the institutionalisation of, or resistance to, business entities' SE reporting practices.

In summary, few studies have utilised NIT at the organisational field level in order to explore the influence of key actors<sup>27</sup> on the practice of SE reporting. Bebbington et al.'s (2009) paper is the most relevant to this research and the authors raised questions regarding the role and potential of SBIs, such as the NZBCSD, for institutionalising this practice. However, a decade has passed since the SDR workshops and the SE reporting trends of New Zealand business entities have not improved. Therefore, through utilising the key tenets of NIT, this research seeks to offer explanations as to how, if at all, key actors, like SBIs within an organisational field influence SE reporting practices of SBI members.

### 3.9 Chapter Summary

This chapter draws from the literature review which highlighted the research problem, shaped the research questions and informed the theoretical framework appropriate for addressing the questions.

Discussing the origins and approach of NIT offers an overview and understanding of the key tenets which are pertinent to this research. Conducting a review of the literature gives background to NIT, its key tenets and also an understanding of how the lens of NIT has been previously used for understanding the institutionalisation of sustainability-related practices, including SE reporting. Gaps in the SE reporting literature utilising NIT have been highlighted leading to the rationale for utilising NIT in this research which explores the (non) institutionalisation of SE reporting and the role of SBIs in this process in New Zealand.

The following chapter discusses in detail the research method and approach. This is followed by Chapter Five, The Organisational Field, which is mapped in order to offer an analysis of the context for the research.

---

<sup>27</sup> There is limited research into the role of SBIs on sustainability-related practices. Collins et al. (2007; 2010) studies are longitudinal, documenting sustainability-related practices within SBN member and non-member entities in New Zealand. However, there is no clearly stated theoretical approach within their research (see 2.12 SE Reporting Trends in New Zealand, Chapter Two). See also Milne et al. (2009) and Tregidga et al.'s (2013) paper that argues the NZBCSD publications and members' SE reports have shaped the meaning of sustainability and sustainable development.

## Chapter 4 - Research Method

### 4.1 Chapter Overview

This chapter presents the method undertaken to address the questions posed for this research and is structured as follows. First, drawing from NIT presented in the previous chapter, the field of analysis is described. Subsequently, the process of identifying the research participants, that is, key players<sup>28</sup> within the organisational field, is outlined. The data collection method of semi-structured interviews is then discussed. The final section describes how the interview findings were analysed in view of the prior literature and the study's theoretical approach.

### 4.2 Field of Analysis

This section describes the process of mapping the organisational field, a key tenet of NIT, undertaken in the following chapter. The researcher drew from a range of sources for this information including: academic work, publicly available information including websites and survey data (KPMG, 2008; 2011; World Bank Group, 2003) as well as engagement with players in the field. The rationale for the selection of field players included factors including players' roles, positions and interactions within the organisational field and specifically because these players influence or have the potential to influence SE reporting. Field players include: international bodies, national bodies, regulatory and standards setting bodies, and three New Zealand SBIs, as they form the central focus of this research.

The initial process of mapping the organisational field was motivated by the list provided by Adams and Narayanan (2007) which includes five international bodies that publicly promote sustainability-related practices which encompass SE reporting guidance, SE reporting indicators, SE reporting processes and/or principles towards SE reporting.

The first five international bodies include: the GRI, ISO, WBCSD, AccountAbility and SIGMA (Adams and Narayanan, 2007). Five other international bodies were

---

<sup>28</sup> As discussed in Chapter Three, Theoretical Framework, in order to remove any suggestion of “purposive, muscular, rather free actors, unembedded in their surrounding context” (Powell and Colyvas, 2008, p. 277) henceforth in this thesis the term ‘players’ is used in place of ‘actors’.

identified after analysing websites and documents as well as academic articles and include: The Prince of Wales Charitable Foundation, SustainAbility, the Association of Chartered Certified Accountants (ACCA), CDP and the IIRC. These bodies publicly promote sustainability-related practices, organisations' involvement in SE reporting awards, specific environmental disclosures, and SE reporting, as well as benchmarking guidelines. The Natural Step was included following two interviewees' acknowledgement of their influence on the process of SE reporting. Finally, KPMG was included within the organisational field as data from the KPMG triennial survey underpins the research questions.

Six national bodies were established as having sustainability-related roles that also result in interactions among field players. The role of the New Zealand Institute of Chartered Accountants (NZICA) includes overseeing the accounting profession and policy input. NZICA detail their interest in sustainability-related practices on their website, are involved in SE reporting awards, and did have a sustainable development reporting committee as well as a special interest group for sustainability (Milne et al., 2003; NZICA, 2013b). The role of Landcare Research was established as directly relating to environmental disclosures after conducting an analysis of websites and academic articles. In the 1990s KPMG was a significant promoter of New Zealand SE reporting awards and a key sponsor (Milne et al., 2001). Envirostate was included after the researcher was involved in a Best Practice Sustainability Day focusing on SE reporting of business entities. Finally, academics and activists were included as players in the organisational field from in-depth reading of academic and newspaper publications incorporating sustainability-related practices, SE reporting and exposure of related issues.

Five regulatory or standard setting bodies, or organisations grouped by their role, were included as players within the organisational field. The New Zealand Government was included as this is an elected governing body with the ability to consider and pass legislation at the highest level (see Milne and Owen, 1999; Milne et al., 2001). The International Accounting Standards Board (IASB) and the External Reporting Board (XRB) are included because their role includes issuing accounting standards. The four largest accounting firms are grouped as 'The Big Four' and include Ernst and Young, Deloitte, KPMG and PricewaterhouseCoopers. Several non-

accounting independent environmental assurers are grouped and include: Tonkin and Taylor, URS, carboNZero and ERM New Zealand Ltd. These players were identified after analysing websites and include professional bodies with accounting roles providing the potential to influence reporting standards and independent professionals, non-accountants, with potential to influence SE reporting practices through the assurance/audit process. Hence the above players all have potential to influence SE reporting practices of business entities in New Zealand.

Three New Zealand SBIs, the Sustainable Business Network, Pure Advantage and the Sustainable Business Council, were established as key players within the organisational field following academic interest and involvement with these organisations as well as an analysis of journal articles, websites and news articles referring to these organisations. The background of each of these SBIs is presented in detail in Chapter Five: The Organisational Field. SBIs are organisations that claim a leadership role in sustainability and sustainable development through furthering the sustainability-related practices of their members (Milne et al., 2009). Membership is voluntary and each SBI is composed of a collective of business entities that are involved in sustainability-related practices and this further confirmed their inclusion. The specific roles and interaction within the field, publicly claimed interest in and potential to influence business entities' action towards sustainability-related practices, particularly SE reporting, also determined SBIs as a key focus of this research. After mapping the field no other apparent New Zealand SBIs filling the above criteria emerged.

In summary, each of the above bodies is included as a player in the organisational field due to their interactions, role, publicly claimed interest in sustainability-related practices, and/or potential to influence SE reporting. The findings of this field analysis are presented in the following chapter.

### **4.3 Identifying Research Participants**

Mapping the organisational field offered the institutional context from which relevant players were identified for answering the research questions. The first group of participants, New Zealand SBIs, has a specific sustainability-focused role and ability to influence SBI members' SE reporting practices. Considering the role of these SBIs and the fact that SE reporting is not institutionalised in New Zealand, let alone the

field, led to their inclusion as research participants. The perspectives of SBI members was also important for understanding why SE reporting is not institutionalised in New Zealand and to compare and contrast SBI members' views with those of Chief Executives from SBIs.

The research participants of the first group included a Chief Executive of each of the SBIs, the SBN, PA and the SBC. The role of each of the Chief Executives encompassed involvement in, or having an influence on, SBI members' sustainability-related practices, including SE reporting. Furthermore, the SBI Chief Executives' interaction with other players in the organisational field including: international, national and standard setting bodies are also an influence, or potential influence, on the sustainability-related practices of SBI members. The Chief Executives from the SBN, PA and the SBC were sent emails inviting them to take part in the semi-structured interview process. Each of these individuals was selected as their roles encompass involvement in, or the potential to influence, sustainability-related practices, including the SE reporting of their members. The Chief Executives from the SBN and SBC responded favourably to this invitation. Following several emails and two telephone calls the Chief Executive from PA also agreed to an interview.

The second group of business entities relevant to this research included SBI members. At the time of the research total membership of the SBN was approximately 400, the SBC membership totalled 42, and PA had 35 affiliated business entities. This group of potential participants were deemed sustainability-related practitioners through their involvement in sustainability-related practices and membership of, or affiliation to, SBIs. The selection process involved both 'purposive' and 'snowball' sampling (Marshall and Brown, 2003; Bryman and Bell, 2007). The initial purposive sampling resulted in SBI members being included within the research after the following considerations: SBI members' background and current involvement in the practice of SE reporting, membership history and current status with SBIs, and other influences on SBI members' SE reporting practice. The researcher emailed 20 Senior Executives, SBI members, inviting them to take part in the semi-structured interview process. From these 20 SBI members 16 belonged to the SBC, 15 belonged to the SBN and eight were affiliated with PA. In total, nine of the invited 20 Senior Executives were not interviewed. Three Senior Executives did not reply to the email

invitation, three declined citing time constraints and the final three, after agreeing to be interviewed subsequently declined citing time constraints and/or personal reasons.

The potential research participants had roles either dedicated to or encompassing sustainability-related practices including aspects of SE reporting. This was reflected by their titles. For example, participants with a dedicated sustainability-related role included: an Environmental Support Manager, Environmental and Sustainability Manager and a Director of Global Sustainability. In contrast, other participant roles included: Sales and Marketing, Marketing Manager, Planner, Non-Executive Director, Business Development and Chief Financial Officer. Note – these are the essential points; a more comprehensive discussion of each of the participating SBI members is presented in detail in Appendix A. Eleven of these 20 Senior Executives, SBI members, agreed to an interview. Follow-up emails were sent which included an information sheet, Ethics Committee approval and a consent form to be signed. In line with snowball sampling some research participants supplied contact details which helped facilitate interviews with key players in the field (Miles and Huberman, 1984).

The initial selection criterion incorporated tracking SBI members' past and current external SE reporting practice, format of external SE reports and assurance practices (see Robertson, 2012). This process involved reviewing an archive held at the University of Canterbury (Milne et al., 2011), which has collated data on the NZBCSD members' reporting history, systematically analysing SBI members' websites for historic and current SE reports, and perusing corporateregister.com (2012) to further substantiate SE reporting practices<sup>29</sup>. See Table 4-1 and table 4-2 for an overview of the SE reporting behaviour of the 20 invited research participants, SBI members. Two categories were identified and defined for the purpose of the research: SBI members that annually produce externally available SE reports – 'SE reporters' - in contrast with SBI members that may have sporadically disclosed external SE information, may disclose limited external SE information or only disclose SE information internally – 'Non-consistent SE reporters'<sup>30</sup>. The rationale

---

<sup>29</sup> See also Tregidga et al.'s (2013) discourse analysis of NZBCSD members' SE reports from 1992-2003.

<sup>30</sup> As noted in Chapter One, this categorisation is partly drawn from the KPMG (2008; 2011) survey data and Gray et al.'s (1997) work. 'Non-consistent SE reporters' do not annually

for having two categories was to determine how and why SBI members are influenced, or not, to annually produce externally available SE reports. This allowed questioning as to what SBI members' viewed as potential future influences, if any, to annually produce externally available SE reports.

**Table 4-1 Invited Research Participants – SE Reporters**

<b>SE Reporters</b>	<b>External SE Reports</b>	<b>Assurance Practices (2012)</b>
Inzide Commercial Ltd	2001 onwards Website	CarboNZero Certification GreenTag
Sanford Limited	2000 onwards Standalone	Limited Assurance GRI G3.1 – B+ ISO 14001 KPMG
The Warehouse Group	1999 onwards Standalone	Limited Assurance GhG Emissions Report GRI G3.1 PricewaterhouseCoopers
Watercare Services Ltd	1993 onwards Annual Review <sup>31</sup>	Limited Assurance GRI G3.1 - A+ ISO 14064-3 and ISO 9011 ERM New Zealand Ltd
Meridian Energy	2000 onwards Annual Report	Limited Assurance GRI G3.0 - C+ Deloitte ISO 14064-1
Landcare Research	1999 onwards Web reporting	GRI – A CarboNZero certified ISO 14001
Ricoh	1998 onwards Standalone	GRI 3.1 CarboNZero certified ISO 14001

produce externally available SE reports although they may engage in other forms of communication (see Stubbs et al., 2013).

<sup>31</sup> See Tregidga and Milne's (2006) paper which offers an interpretive textual analysis' of Watercare's SE reporting practices from 1993 – 2003.

**Table 4-2 Invited Research Participants - Non-Consistent SE Reporters**

<b>Non-Consistent SE Reporters</b>	<b>External SE Reports</b>	<b>Assurance Practices (2012)</b>
3R Group	No	
Beca Group Ltd	No	
Living Earth Ltd	No	
Resene Paints Ltd	No	
Waikato Management School	No	
Fonterra Cooperative	Limited disclosures in Annual Reviews	Nil
Hubbard Foods Ltd (Hubbards)	2001 and 2007 Standalone	Nil
Sovereign Assurance Company Limited	No	
Wright Communication	No	
Les Mills Group	No	
Ecostore	2008 Standalone	Nil
Urgent Couriers Ltd	2000, 2007 and 2009 Standalone	Nil
Telecom New Zealand Ltd	Limited disclosures in Annual Reports	Nil

Following the initial selection criterion, membership history of these entities was traced in order to consider possible influences on their SE reporting practices. Again this process involved reviewing an archive held at the University of Canterbury (Milne et al., 2011). See Table 4-3 for an overview of research participant current and historic membership information. Membership history included: which SBIs members belonged/belong to, when they joined and/or left; the membership criteria of each of the SBIs; SBI members' involvement in case studies; practical influences that SBI members were/are exposed to through their membership; exposure to other SBI members' SE reporting practices, such as leading reporters as deemed by academics; whether there were/are sustainability 'champions' within their entities or other SBI members, for example, founding members of the SBN and/or NZBCSD; and whether there was/is any public exposure, such as SE reports displayed on their websites or SBIs' websites.

The rationale for tracing membership history was to determine which SBIs members' belonged/belong to; whether there were differences in why and/or how SBIs influenced their SBI members' SE reporting practices; and whether there were any

changes in these influences over time. Furthermore, identifying and tracking founding SBI members' reporting habits and involvement in case studies helped uncover whether SBIs have influenced SBI members' SE reporting practices and if so, how they have influenced SBI members' SE reporting practices. This was intended to illustrate how, if at all, this influence facilitated the diffusion of SE reporting practices to other SBI members. Note that the research participants' membership or affiliation was identified in 2013, the time of the data collection for this research.

**Table 4-3 Invited Research Participants' Membership Information**

<b>Membership/Affiliation</b>	<b>(NZBCSD)</b>	<b>SBC</b>	<b>SBN</b>	<b>PA</b>
Inzide Commercial Ltd	2001	Y*	Y	
Sanford Ltd	1999 (FM)**	Y		
The Warehouse Group	1999 (FM)	Y		Trustee
Watercare Services Ltd	1999 (FM)	Y	Y	
3R Group	2008	Y	2004	Case Study
Beca Group Ltd	2006	Y		Case Study
Fonterra Cooperative	1999 (FM)	Y		
Hubbard Foods Ltd	1999 (FM) - 2012 (left)		2002 (FM)	
Living Earth Ltd	1999 (FM)	Y		
Resene Paints Ltd	2008 – 2010 (left)		2006	Case Study
Waikato Management School	2005	Y	2005	
Meridian Energy	2000	Y	Y	
Ricoh	2007	Y	Y	Case Study
Landcare Research	1999 (FM)	Y	Y	
Telecom New Zealand Ltd	1999 FM – 2009 (left)		Y	
Sovereign Assurance Ltd	2009	Y	Y	
Urgent Couriers	2000 2010 (left)		Y	Case Study
Wright Communications	2007	Y	Y	
Ecostore	2003	Y	Y	Case Study
Les Mills	2008	Y	Y	Trustee

Note: Y = Current member; FM = Founding Member

The first four SE reporting entities (see Table 4-1) agreeable to be research participants were all founding members of the NZBCD and current members of the SBC. Sanford, The Warehouse and Inzide<sup>32</sup> were involved in the NZBCSD case study

<sup>32</sup> Inzide Commercial is a New Zealand company separate from Interface Global.

(NZBCSD, 2001, p. 3)<sup>33</sup>. In 2001, Sanford and The Warehouse were deemed as having “begun the SDR process” (NZBCSD, 2001, p.3). Furthermore, the founder of The Warehouse, Stephen Tindall, is a trustee with PA. In contrast, Inzide were new to external SE reporting and deemed as having “no experience in the SDR process” (NZBCSD, 2001, p.3). Watercare did not take part in the NZBCSD case study in 2001. Inzide and Watercare are also current members of the SBN. Participants from Sanford and Watercare attended the Best Practice Sustainability Reporting Workshop, run by Envirostate in 2012 and held in Auckland, New Zealand<sup>34</sup>.

The first seven non-consistent SE reporters agreeable to be research participants (See Table 4-2) were, or have been, members of the NZBCSD. Hubbards and Living Earth were founding members of the NZBCSD. Hubbards was involved in the NZBCSD case study as a reporter with “no experience in the SDR process” (NZBCSD, 2001, p. 3) and this may have prompted them to produce a SE report in 2001. However, Hubbards did not produce another SE report until 2007, and never consistently published external SE reports. In contrast, Living Earth was not involved in this case study.

Fonterra was a longstanding member of the NZBCSD, having joined in 2002. The Waikato Management School joined the NZBCSD in 2005 as an academic partner. Beca joined the NZBCSD in 2006 and complied with the membership criterion of annually producing a SE report but never made this externally available. 3R joined in 2008 with the Director of 3R having significant involvement in the NZBCSD (now the SBC) and the WBCSD. Similar to 3R and Beca, Resene display a case study on PA website.

In contrast with the above SBC members, Resene had a short-lived membership with the NZBCSD joining in 2008 and leaving after two years. Their initial connection related to a focus group on Product Stewardship<sup>35</sup>. Similarly, Hubbard’s membership with the SBC lapsed in 2012 after the merger of the NZBCSD and the Sustainable

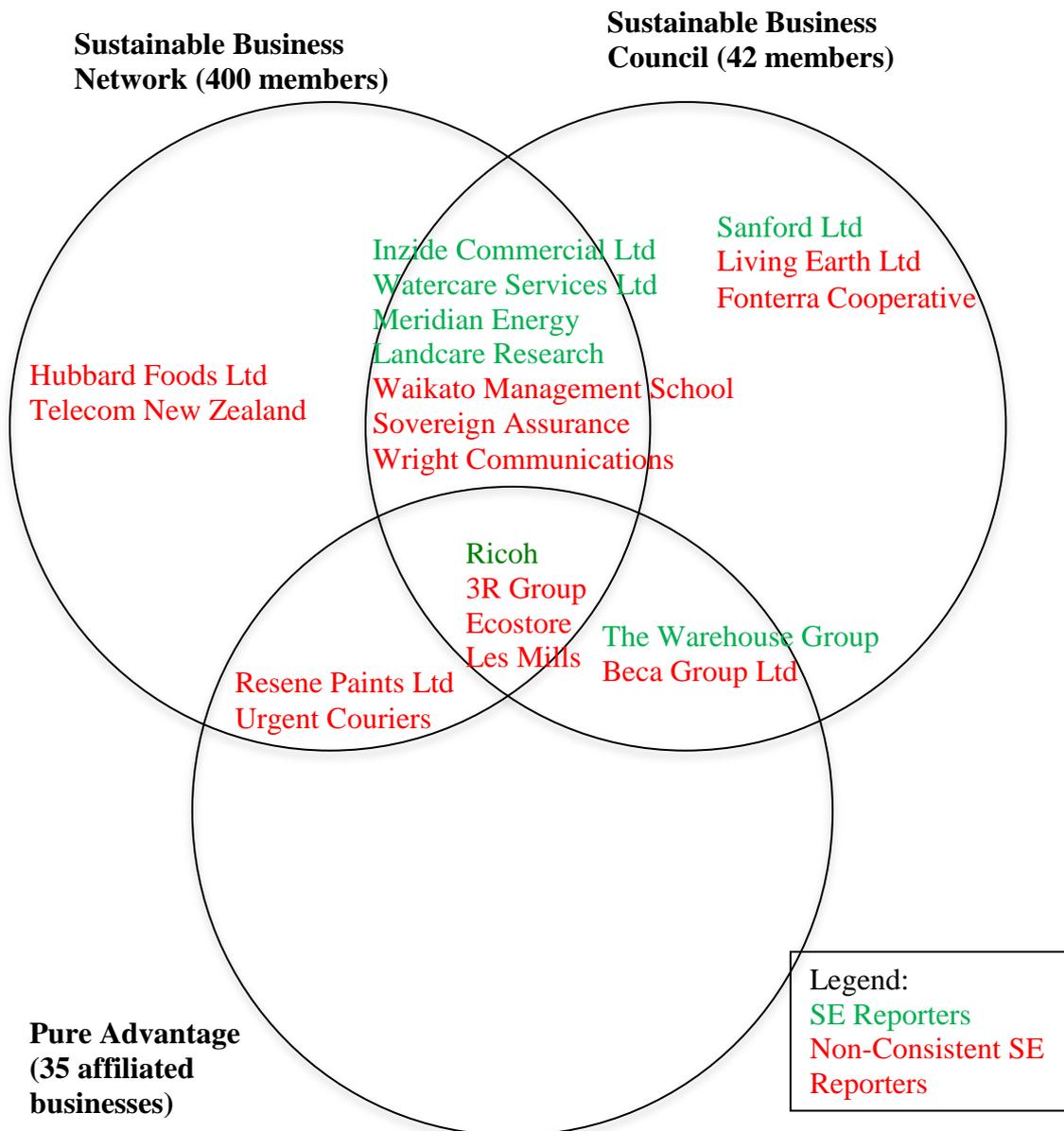
---

<sup>33</sup> This case study was the basis for Bebbington et al.’s (2009) research regarding the SE reporting practices of six NZBCSD member entities.

<sup>34</sup> The researcher also attended this workshop which enabled a better understanding of field player interactions.

<sup>35</sup> Resene’s Product Stewardship program involves the recovery of unwanted/unused paint and paint packaging in New Zealand (Resene, 2013).

Business Forum (SBF). This was surprising considering Hubbards was a founding member of the NZBCSD. (See Table 4-2) were or have been, members of the NZBCSD. Hubbards and Living Earth were founding members of the NZBCSD. Hubbards was involved in the NZBCSD case study as a reporter with “no experience in the SDR process” (NZBCSD, 2001, p. 3) and this may have prompted them to produce a SE report in 2001. However, Hubbards did not produce another SE report until 2007, and never consistently published external SE reports. In contrast, Living Earth was not involved in this case study.



**Figure 4-1 Diagrammatic Presentation of Invited Research Participants**

Four of the non-consistent SE reporting entities had longstanding memberships with the SBN. Hubbards was a founding member and 3R's membership dated back to 2004. The Waikato Management School had been an academic member since 2005. Resene has also held membership with the SBN since 2006. In contrast, Living Earth, Fonterra, Beca, Sanford and The Warehouse do not hold membership with the SBN. See Figure 4-1 for total membership of each of the SBIs and current membership of the invited research participants. This information is colour coded to illustrate SBI members' involvement in external SE reporting.

SBI members were also selected following consideration of their association with field players including: international bodies, national bodies and regulatory or standard setting bodies<sup>36</sup>. The rationale for considering SBI members' association with these players in the organisational field was how their various roles influenced, or had the potential to influence, sustainability-related practices including SE reporting.

The selection process incorporated consideration of field players' context, characteristics and behaviours, encompassing sustainability-related practices. This process facilitated a manageable initial data set, three New Zealand SBIs and 11 SBI members, thus helping to determine the scope of the data; termed analytic choices (Miles and Huberman, 1984). The selected SBI members came from large businesses and SME's with various ownership structures. This included publicly listed companies, public sector organisations and privately owned business entities. These SBI members also represented a range of industries including manufacturing, services and retail incorporating importing and exporting activities. Note these factors are not the focus of the research.

In summary, the sample selection was representative of SBI membership through offering a cross-section of SBI members, including a range of business entities, and central to this research SBI members' SE reporting practice as well as considering field players' potential influence on this practice.

---

<sup>36</sup> The roles and potential influence of these organisations/individuals on sustainability-related practices including SE reporting is presented in detail in Appendix B, Players in the SE Reporting Field, and overviewed in Chapter Five, The Organisational Field.

#### 4.4 Data Collection

During the selection process relevant background information was collected through accessing publicly available information from SBIs and SBI members' websites. Various publications were read, including SE reports, annual reviews, and media publications. Analysing this information offered insights into SBIs and SBI members' sustainability-related practices including external SE reporting. Furthermore, in 2012 the researcher attended a Best Practice Sustainability Day in Auckland, run by Envirostate and this enabled a greater understanding of players in the field and their influence on the practice of SE reporting. The researcher also attended the State of the Nation's Environment Address held at Lincoln University. Again this facilitated the researcher's understanding of field players' influence on sustainability-related practices, including SE reporting and resulted in gaining an interview with the Executive Director of the SBC, Penny Nelson. Thus, the researcher had prior contact with a few key players in the organisational field, SBIs and a selection of SBI members, enabling a better understanding of social processes and behaviours within their context.

The method employed within this research was that of semi-structured in-depth interviews; a commonly utilised approach allowing for "rich insights, interpretations, and explanations of events and actions..." (Parker, 2001, p. 323) subsequently interpreted through the use of language. This method allowed for flexibility within the research process with the ability to explore themes as they emerged and was of particular relevance for this research because of SBI members' variable involvement in SE reporting and the range of potential influences on this practice. The rationale behind the use of semi-structured interviews was to gather participants' interpretations and understanding as to how and why they hold a certain perspective (King, 1994).

Three face-to-face interviews were conducted in Wellington, the Chief Executive of the SBC and two Senior Executives, SBI members. Seven face-to-face interviews were conducted in Auckland, the Chief Executive of the SBN and six Senior Executives, SBI members. Two interviews with Senior Executives, SBI members were conducted through Skype due to the location of the participants, Hastings and Waikato. Three interviews were conducted over the telephone due to availability of

participants, the Chief Executive of PA and two Senior Executives, SBI members. One face-to-face interview transcription was not used, because the role of the individual was not deemed applicable<sup>37</sup>.

The objective of the semi-structured interviews was to gain an understanding from various perspectives as to why New Zealand business entities' SE reporting practice has not become institutionalised and whether the role of SBIs had any effect on SBI members' SE reporting practices. The interview questions were informed from the SE reporting literature, by the theoretical framework and relevant background information of each of the SBIs and selected SBI members. The following three broad themes were explored through the interview process in order to answer the research questions (see Appendix C for the interview questions) and initially provided context:

- A description of sustainability-related practices among New Zealand business entities;
- Influences on SE reporting practices from three perspectives; SBIs and SBI members organised by practice: SE reporters and non-consistent SE reporters;
- SBIs influence on SE reporting from two perspectives; SBIs perceptions of influencing SBI members in contrast with SBI members' perceptions of SBIs influence.

Although the interview questions were semi-structured they were also open-ended in order to encourage participants' relaxed participation. The time taken for each interview ranged from 45 minutes through to one and one quarter hours. A dictaphone was used to record the interviews and brief relevant notes were also taken throughout. The interviews were transcribed by the researcher typically within one day but no later than one week following each interview. The researcher was immersed in the transcription process which ensured familiarity with the data and took into account "paralinguistic information"<sup>38</sup> (King, 1994, p. 25; Grbich, 2007). A small number of follow-up emails were sent to participants in order to further clarify and/or answer

---

<sup>37</sup> The researcher interviewed another individual within this entity with a more appropriate role.

<sup>38</sup> Paralinguistic information includes non-vocal and vocal communication. Examples include: "nuances of speech, tone of voice, hesitations and other..." (King, 1994, p. 25).

follow-up questions as well as offering participants an opportunity to check each transcript. This led to the process of data analysis undertaken by the researcher.

#### 4.5 Data Analysis

The initial sample selection resulted in setting the scope of the data to be collected for the research (Miles and Huberman, 1984). Data analysis was undertaken iteratively, with data being revisited on several occasions, in line with the qualitative research strategy (Miles and Huberman, 1984; Hartley, 1994; Bryman and Bell, 2007). Following each interview preliminary data analysis occurred through the researcher transcribing the interviews. Through engaging with this text the researcher began to develop a deep understanding of values and meanings emerging from the data (Grbich, 2007). This resulted in an initial categorisation of emerging themes and missing influences according to the interview questions (King, 1994). Thus, contrasting findings were also highlighted offering alternative interpretations to be described and discussed (Hartley, 1994).

Post interview analysis followed the data collection and initial data analysis beginning with the researcher re-listening to each of the interviews. This process encompassed three steps: data reduction, data display and data interpretation (O'Dwyer, 2004). Each transcription was condensed from approximately 20 pages to two pages of themes highlighting pertinent quotes. Similar to Bebbington et al. (2009) a mind map was drawn in order to visually identify similarities and differences in participant responses. Furthermore, as found by O'Dwyer (2004) the process of revisiting the data on several occasions resulted in the researcher identifying issues and raised additional questions to further facilitate thematic coding of the findings and better understand field relationships and influences (Miles and Huberman, 1984; Denzin and Lincoln, 2011). This was particularly important for this research with the interrelationships of multiple players within the organisational field.

The interview questions were used as a guide to structure the findings and analysis chapters in order to address the research questions. The emerging themes, an interpretation of participants' perceptions and behaviour (Parker, 2003), were described narratively, with participant responses, offered as evidence, analysed through prior literature and explained through the theoretical lens (O'Dwyer, 2004), NIT. This approach also offered the opportunity to understand how context impacted

on these constructed understandings (Grbich, 2007). Essentially, findings are the participants' perspectives interpreted by the researcher seeking to explain why SE reporting is not institutionalised in New Zealand and to better understand the influence of SBIs on the practice of SE reporting.

#### **4.6 Chapter Summary**

This chapter outlined the research method. Pertinent to this process was the literature review and NIT which informed the initial research questions and qualitative methodology. The process of identifying the research participants was explained as was the data collection method and analysis. A key stage in this process follows in Chapter Five, The Organisational Field which offers context for the research through mapping the field. This process further defines and refines the research scope and questions through highlighting the characteristics and behaviour of key players. This sets the scene for Chapter Six and Chapter Seven which offer findings and analysis of themes that emerged from the interview process.

## Chapter 5 - The Organisational Field

### 5.1 Chapter Overview

This chapter analyses the organisational field in order to understand the potential of players to influence or institutionalise sustainability-related practices, specifically SE reporting. The organisational field was discussed in Chapter Three and is a central tenet of NIT, the theoretical framework used within this research. Therefore, the researcher maps the SE reporting field, providing context within which this research is embedded and identifying field players in order to understand their interactions, relationships and roles that offer potential to institutionalise SE reporting.

The chapter is structured as follows. The first sections identify players within the SE reporting field including international, national and regulatory or standard-setting players. For simplicities sake, background information is presented in a table format, structured longitudinally, and includes: the names of players; the date of establishment of the organisation; the founders and/or role of the organisation/individual; the type and focus of these organisations and lists key publications. This table is followed by a summary of key information in order to highlight the similarities and differences of field players and to understand how their roles and interactions have the potential to influence sustainability-related practices. Essentially, this chapter seeks to provide an overview of the institutional context in order to understand the prevalence of isomorphic pressures on the practice of SE reporting. See Appendix B for detailed information regarding each player.

The final section of this chapter introduces and analyses three key players in the New Zealand context with roles that are pertinent to the research, SBIs<sup>39</sup> including the SBN, PA and the SBC. First, a visual representation of players in the organisational field is presented. See Figure 5-1 The Organisational Field.

---

<sup>39</sup> See Chapter One (p. 2) for the definition of SBIs used within the research.

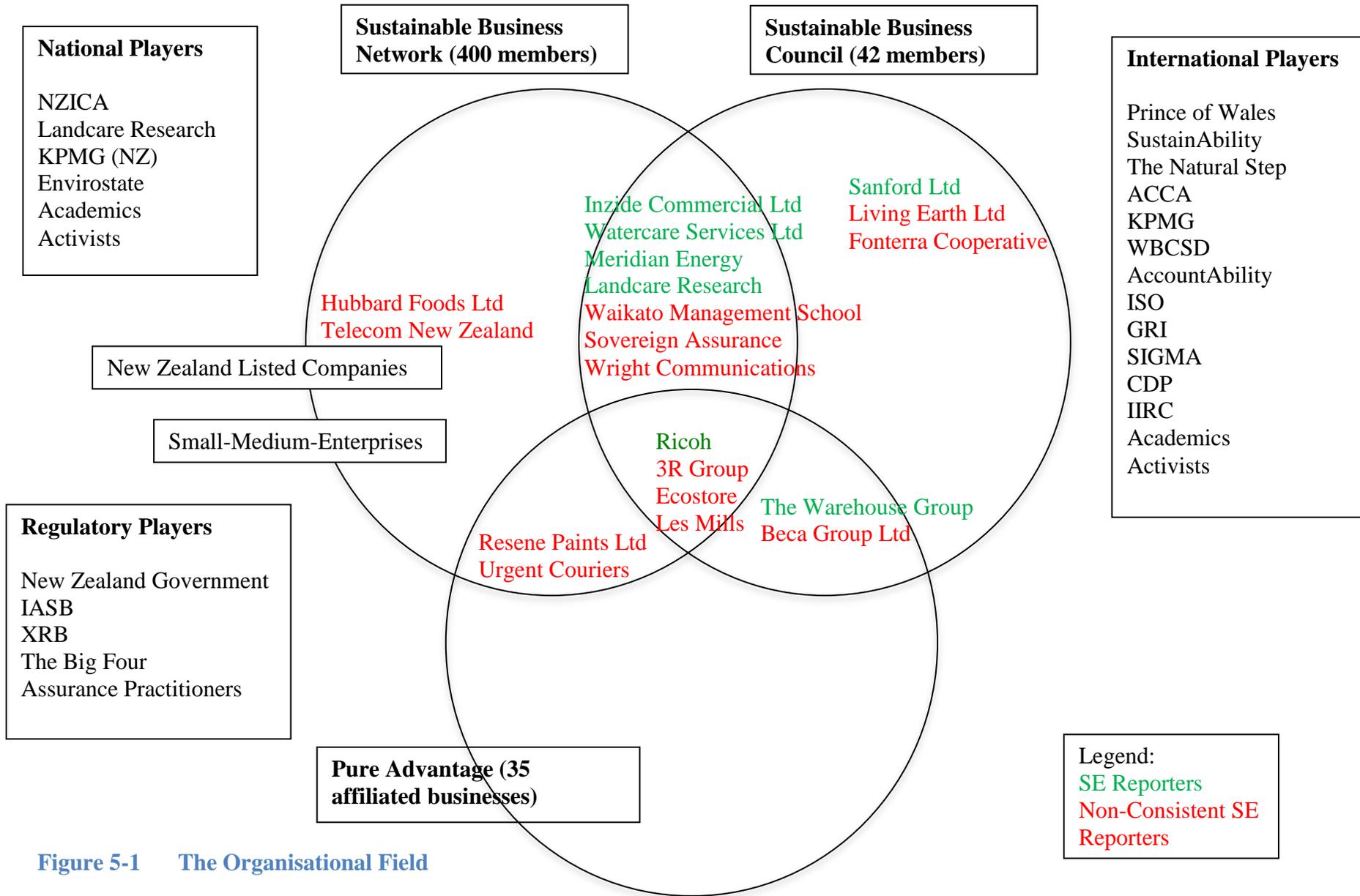


Figure 5-1 The Organisational Field

## **5.2 International Players - Influence on Social and Environmental Reporting**

Following a systematic analysis of various websites, documents and academic work, as outlined in the previous chapter, this section identifies and discusses the roles, positions and interactions of 12 international field players and analyses their potential to influence business entities' SE reporting practices. See Table 5-1 for an overview of identified international players.

**Table 5-1 International Players**

<b>International Players</b>	<b>Est.</b>	<b>Role/Founders of Organisation</b>	<b>Organisation Type</b>	<b>Focus of Organisation</b>	<b>Key Publications</b>
The Prince of Wales Charitable Foundation	1979	Founder: HRH Prince of Wales	Not-for-profit	Provides grants for wide-ranging social and environmental causes. Supports local sustainability-related initiatives and projects	For example, the Cass Report
SustainAbility	1987	Founders: John Elkington; Julia Hailes	Company Think-Tank	Vision: “a just and sustainable world for present and future generations”. Envisaged through integrating sustainability within organisations business models	1994-2006 UNEP/SustainAbility Benchmarking Surveys and Guidelines 2008 Count me in: The Readers’ take on Sustainability Reporting 1999 Social Reporting Report Buried Treasure; Developing Value (with IFC); Gearing UP (with UN Global Compact); One Planet Business (with WWF); Market Movers; Growing Opportunity; Social Intrapreneurs
The Natural Step	1989	New Zealand-based: Simon Harvey; Lin Roberts	Not-for-profit	Creating a sustainable society through developing business organisations sustainability strategies	Various sustainability- focused books for communities and business
ACCA	1991	Introduced SE Reporting Awards	Global body for professional accountants	Promote transparency/accountability of business organisations through sponsoring SE reporting awards	2004 Australia and New Zealand; Ceres-ACCA North American; ESRA European sustainability reporting; UK awards. Published shortlists
KPMG	1993	Gathering triennial data regarding SE reporting behaviour of the world’s largest corporations	Professional accounting organisation – international co-operative	Global SE reporting trends highlighted through conducting and publishing survey data. Accounting professionals offering sustainability-related consulting services for clients	1993-2011 International Corporate Responsibility Reporting Surveys
WBCSD	1995	Involved in establishment: Stephan Schmidheiny	International membership-based business organisation	Rio Earth Summit was the rationale for the establishment of the WBCSD. Focus on sustainable development solutions for	2002 Sustainable development reporting: striking the balance 2004 WRI/WBCSD The Greenhouse Gas

				member entities through stakeholder relationships and policy input	Protocol – A Corporate Accounting & Reporting Standard 2005 Beyond Reporting: Creating Business Value and Accountability Action 2020 & Vision 2050
AccountAbility	1995	Governance body: Internationally renowned CEOs, policymakers, thought leaders and regulators (public/private and civil society)	Company: not-for-profit organisation	Mainstreaming sustainability for business organisations through advisory services focusing on SE reporting processes including assurance standards	AA1000 Series of Standards; Assurance Standard (2008)  AccountAbility Principles; Stakeholder Engagement
ISO	1996 (1947)	Council of 20 member bodies	Independent NGO: membership-network of national standards bodies	Establish environmental management tools and reporting standards for business organisations – procedural through certification requirements	1996 Environmental Management ISO 14000 (14064-1:2006) Greenhouse gases guidance
GRI	1997	Founded from CERES and the Tellus Institute	Not-for-profit organisation	Sustainability focused through dissemination of voluntary global SE reporting guidelines for business organisations	2000 First Version 2002 G2 2006 G3 2011 G3.1 2013 G4
The SIGMA Project	1999	British Standards Institution; AccountAbility; Forum for the Future	Not-for-profit	Practical advice, guidance based, towards sustainable development emphasising SE reporting	The SIGMA Guidelines: Putting Sustainable Development Into Practice A guide for organisations (2003)
CDP	2000	Global players represented	Not-for-profit	Climate change information for financial decision-making through gathering survey data from large companies Water related information	2004 onwards CDP global reports CDP Water Disclosure 2010 onwards global reports
IIRC	2010	Global players represented		Global framework for Integrated Reports to increase business disclosure communicating value creation	Discussion paper Pilot Programme Yearbook 2012; 2013 Building the Business Case for Integrated Reporting

The majority of international players are not-for-profit organisations focusing on sustainability, sustainable development and offering various approaches to influencing SE reporting. The Prince of Wales Charitable Foundation has a commercial arm from which grants are made for causes with social and environmental values but there is little publicly available discussion related to SE reporting (The Prince's Charities, 2013). In slight contrast, the (New Zealand based) Natural Step offers services to business entities relating to sustainability strategies and this incorporates SE reporting. The Natural Step has published a number of sustainability-focused books with communities and business as the intended audience (The Natural Step, 2013).

One of the roles filled by several international players, SustainAbility, KPMG, the CDP and the WBCSD, includes gathering and publishing information to better inform decision-making within business entities and for institutional investors. SustainAbility published benchmarking surveys from 1994 – 2006. In 2001, two New Zealand companies, Watercare and Landcare Research, SE reports were benchmarked against SustainAbility guidelines (Milne et al., 2001; 2003). Similarly, KPMG is well known for their triennial survey data which began in 2002 and tracks the SE reporting practices of large global companies, consequently identifying companies resisting this practice (KPMG, 2011). Since 2004, the CDP has published collated data relating to large global companies' carbon emissions and their water usage since 2010, strongly advocating assurance of these disclosures (Robertson, 2012).

The WBCD, a member-network, has published several key reports focusing on SE reporting including: *'Sustainable development reporting: striking the balance'* (WBCSD, 2002), *'From Challenge to Opportunity'* (WBCSD, n.d.) and *'Business solutions for a sustainable world'* (WBCSD, 2013). The WBCSD worked with the World Resources Institute (WRI) on a reporting standard for GHG disclosures and has recently published two well-known reports *'Action2020'* a business agenda towards sustainable development and *'Vision 2050'* a report proposing 'must have' requirements towards global sustainability (WBCSD, 2013). Although the WBCSD appears predominantly focused on policy input this organisation does require its members to annually publish external SE reports some are displayed on their website (WBCSD, 2013).

The following international players, the SIGMA project, SustainAbility and the GRI offer global voluntary guidance-based frameworks for organisations to report on and be measured against. The SIGMA project consists of a three-way partnership with other players in the field including British Standards Institution, AccountAbility and Forum for the Future (Adams and Narayanan, 2007). This project offers comparability through linking into existing standards and frameworks (ISO and AccountAbility, discussed below). SIGMA produced guidelines for sustainability issues not just SE reporting (Adams and Narayanan, 2007). SustainAbility is similar to SIGMA and the GRI having published benchmarking guidelines to assess report content against (Milne and Gray, 2007). The GRI framework has become the most influential guidance provider with over 80 percent of the largest international companies utilising it (KPMG, 2011). The GRI have published reporting guidelines since 2000 with the latest iteration published in 2013 the GRI G4 (GRI, 2013a). The GRI and CDP are now working collaboratively to harmonise and clarify SE reporting guidelines, standards and frameworks (GRI, 2014).

In contrast with the above organisations, AccountAbility offers the AA1000 Series process-oriented standards which include accountability principles, stakeholder engagement and assurance (Adams and Narayanan, 2007). In 2003, the AA1000 Assurance Standard was launched (Epstein, 2008) with the intention of linking with other specialised standards in the area of reporting, including the GRI, Social Accountability International and ISO (Adams and Narayanan, 2007). However, the GRI removed assurance expectations from their guidelines, the GRI G3 (Robertson, 2012) and the latest iteration, GRI G4.

ACCA is a global professional accounting body and this organisation introduced and sponsors SE reporting awards (ACCA, 2013). Similar to AccountAbility, ACCA's goal is to promote transparency and accountability of business entities and is partly achieved through publishing shortlists of 'winners' identifying areas for improvement in their SE reports and pressuring assurance adoption (Robertson, 2012). The judging criteria for SE reports include performance indicators, stakeholder involvement and third party verification (Tilt, 2007) "codifying values and norms of SR" (Larrinaga, 2007, p. 159).

Historically, the ISO standards were viewed as the most influential on business practice (World Bank Group, 2003) offering an environmental management system. Adams and Narayanan (2007) note this approach as procedural with certification requirements for business entities' sustainability practices including SE reporting and include, for example, GHG guidance.

The IIRC is the most recent international player to emerge and has introduced Integrated Reporting, an intended global reporting framework. The IIRC published a discussion paper and invited submissions on Integrated Reporting and is in the second year of running a Pilot Programme (IIRC, 2012; 2013a). Integrated Reporting is already mandated in some countries, for example South Africa, offering significant potential to institutionalise a form of non-financial reporting. Although SMEs have been involved in this discussion, the focus is on listed companies so the broad uptake of Integrated Reporting is likely to be limited by this criterion.

#### **5.2.1 International Players and Isomorphic Pressures**

There are potential isomorphic pressures among, and beyond, international players in the organisational field. There is the potential of mimetic pressures with business entities copying SE reporting practices in the field to ensure their legitimacy, survival and/or competitive advantage. Mimetic pressure is likely to exist within the field with influential guidance-based frameworks, tools towards best practice or standards that business entities commonly utilise. Normative pressures on business entities within the field are also likely and explained from an accountability perspective 'doing the right thing' or explained as motivated by legitimacy and/or membership to a Professional or Business Association.

There are also elements of coercive pressure, whether obvious or underlying, emanating from the majority of these international players. Examples include the WBCSD membership criterion, potential for stakeholders to pressure SE reporting practices, adherence to standards and either encouraging assurance or requiring certification. Furthermore, there is potential for coercive pressure, if frameworks are regulated internationally as is possible with Integrated Reporting.

Interactions are also evident among these international players. For example, the GRI is promoted by the WBCSD and the GRI is working with the CDP to strengthen SE

reporting (GRI, 2013b). These field relationships also highlight probable mimetic and normative pressure and the potential for SE reporting to be coercively pressured through other field players requiring or promoting the application of specific guidelines or standards.

### **5.3 National Players – Influence on Social and Environmental Reporting**

Following a systematic analysis of various websites, documents and academic work, as outlined in the previous chapter, this section identifies and discusses the roles, positions and interactions of six national field players and analyses their potential to influence business entities' SE reporting practices. See Table 5-2 for an overview of identified national players.

**Table 5-2 National Players<sup>40</sup>**

<b>National Players</b>	<b>Est.</b>	<b>Role</b>	<b>Organisation Type</b>	<b>Focus of Organisation</b>	<b>Key Publications</b>
NZICA	1908	Regulate Accounting Profession	Professional Accounting Membership Body	Promote control and regulate the accountancy profession. This includes policy input and sustainability focused accounting tools, such as SE reporting and assurance. The now defunct Sustainable Development Reporting Committee and Sustainability Interest Group.	Report of the Taskforce on Sustainable Development Reporting (ICANZ, 2002). Submission on the Integrated Reporting consultation draft (2013).
Landcare Research (carbonZero)	1992	Scientific Research	Crown Research Institute	Sustainability and stakeholder engagement. Involvement with other sustainability-focused organisations. TBL management and reporting.	Published SE reports since 2000 Newsletters: Environment Update Books and Monographs: Hatched: The Capacity for Sustainable Development 2002 Triple-Bottom-Line Reporting: Guide to Producing an Annual Report (See Gilkison, 1995–2003) Milne et al., (2001; 2003)
KPMG (New Zealand)	1995-2000	Environmental Reporting Awards	Professional Accounting Organisation	Offer a range of accounting services Sponsored SE reporting awards and had an environmental unit.	2012 Towards Transparency Best Practice Sustainability Reporting New Zealand.
Envirostate	2004	Sustainability services	Consultancy Business	Offering sustainability consultancy services for business entities: ISO, Enviro-Mark, GRI data verification.	Milne et al. (2001; 2003; 2006; 2009) Milne & Owen (1999) Gilkison (1995-2003) Tregidga & Milne, (2006) Collins et al., (2007; 2010)
Academics		Education and Publications	Education	Interest in sustainability-related issues informed through involvement in education, professional bodies, publishing, business engagement, awards, public forums and policy input. Involvement in SE reporting Awards.	Guardians of Lake Manapouri, Forest and Bird, Greenpeace, Anti-Nuclear and Springbok Tour movements etc.
Activists: Groups and/or Individuals		Public Awareness	Not-for-Profits	Raising awareness of social and environmental issues in New Zealand.	

<sup>40</sup> The three New Zealand Sustainable Business Intermediaries, also National Players, are discussed in detail in this chapter - p.83, Section 5.5.

The following six national field players have various roles with an interest in sustainability, or related issues, offering varying potential to influence SE reporting. NZICA is a professional membership body with a variety of roles, specifically oversight of the accounting profession. NZICA display sustainability-focused information on their website and did have a special interest group for sustainability as well as a sustainable development reporting committee (NZICA, 2013a; 2013b). In 2002, NZICA published a '*Report of the Taskforce on Sustainable Development Reporting*' (ICANZ, 2002; see Collins et al., 2011). NZICA develops accounting standards and guidance in areas, such as assurance of SE reports. NZICA has responded favourably to the Integrated Reporting discussion paper supporting the idea of a global reporting framework overseen by a single international body. The NZICA submission suggested that SMEs need to be more of a focus within the framework; and NZICA highlighted the need for appropriate assurance mechanisms (IIRC, 2013b).

Although Landcare Research's predominant role is scientific research, this company has also focused on developing and promoting SE reporting (CRI, 2013). This influence has also been facilitated through their establishment and full ownership of carboNZero. Landcare was a founding member of the NZBCSD, has published SE reports since 2000, was involved in NZBCSD's SE reporting project in 2001 and has won SE reporting awards (Milne et al., 2003). Landcare is a current member of the SBC and is the SBC's official GRI data partner and is involved with BusinessNZ (SBC, 2013a). Similarly, Envirostate, a consultancy business, offers a range of sustainability-related business services with a particular focus on SE reporting. Envirostate published '*Towards Transparency Best Practice Sustainability Reporting*' (Envirostate, 2012)<sup>41</sup>. Envirostate offers training in the GRI, ISO and Enviro-Mark application is a certified training partner with GRI and offer data verification for clients (Envirostate, 2013).

There are a number of notable academics with a specific interest in sustainability-related issues. The role of these individuals includes raising public and organisations'

---

<sup>41</sup> To be deemed a 'best practice' reporter requires SE reports to have in-depth coverage of the following five concepts: usability, context, relevance, measures and credibility (Envirostate, 2012).

awareness of social and environmental issues through a variety of channels. For example, academics educate, publish relevant research<sup>42</sup>, publish controversial reports and engage with business entities. Academics also contribute to discussion papers and policy submissions through professional bodies such as NZICA, the IIRC and the government. Furthermore, academics are invited to be on judging panels for SE reporting awards in New Zealand. Although KPMG is well known for their triennial surveys, from 1995-2000 KPMG was involved in sponsoring the New Zealand SE reporting awards (Milne et al., 2001) and published a guide in 2002 titled '*Triple-Bottom-Line Reporting*' (KPMG, 2002). Similar to academics, the role activists fill relates to drawing public attention to social and environmental issues and effecting change through taking action. For example, Greenpeace has been publicly airing concerns about exploratory oil drilling in New Zealand and coordinating public demonstrations against this (Greenpeace, 2013). However, the focus of Greenpeace is public exposure of environmental issues not targeting SE reporting.

### **5.3.1 National Players and Isomorphic Pressures**

National players in the organisational field have the potential to exercise isomorphic pressures on SE reporting practices of business entities. Normative pressure on business entities within the field is likely and explained from an accountability perspective, motivated by legitimacy through, for example, Professional Body membership. There is also the potential of mimetic pressures with business entities copying SE reporting practices to ensure their legitimacy, survival and/or competitive advantage. Mimetic pressure is also likely to exist with players' involvement in SE reporting and/or through the awards process. There is some potential for coercive pressure exercised through the role of NZICA, the assurance role of Envirostate and Landcare through carboNZero.

Although the roles of national players vary interactions are also evident among field players and offer the prospect of isomorphic pressure. For example, Landcare Research has interrelationships with field players, as does Envirostate and NZICA being a membership body. Furthermore, academics engage with a range of field players offering potential to isomorphically pressure SE reporting.

---

<sup>42</sup> See academics cited in the Literature Review and comprehensive details in the references.

#### **5.4 Regulatory and Standard Setting Players – Influence on Social and Environmental Reporting**

Following a systematic analysis of various websites and public documents, as discussed in the previous chapter, this section identifies and discusses the roles positions and interactions of five regulatory or standard setting field players, or groups of players, and their potential to pressure SE reporting practices of business entities. See Table 5-3 for an overview of identified Regulatory and Standard Setting Players.

**Table 5-3 Regulatory and Standard Setting Players**

<b>Regulatory Players</b>	<b>Est.</b>	<b>Organisation Type</b>	<b>Role of Organisation(s)</b>	<b>Key Publications</b>
New Zealand Government Ministry for the Environment		Public Sector	Makes law and sets budgets. For example, the Resource Management Act and The Companies Act	1996 Deborah Morris 1998 Summary of comments made on the KPMG Information Paper 2002 Corporate Environmental Reporting 2003 Enterprise Your Business and the Triple Bottom Line 2007/2008 Guidance for voluntary, Corporate Gas Reporting: Data and Methods
Parliamentary Commission for the Environment's Office Ministry of Social Development			Investigates environmental concerns holding the government to account independent of the government Social policy and advice to the government	2002 Creating our future: SD for NZ 2004 See Change: Learning and Education for Sustainability Pilot project TBL Social indicators and Social Reporting in New Zealand
IASB	2001	Private Sector Body	Global accounting standards converging national and international. Includes a focus on stakeholder engagement	IFRS standards Working collaboratively with the IIRC to establish IR framework
XRB	2011	Independent Crown Entity	Financial reporting strategy including accounting, audit and assurance standards	Issues accounting, audit and assurance standards Submission supporting IR
Ernst and Young; Deloitte; KPMG; Pricewaterhouse Coopers		Professional Accounting Services Company	Accounting Services incorporating sustainability-related services such as assurance of SE reports offered to clients - business entity focus	(see Milne et al., 2003)
Tonkin and Taylor	1959	Independent environmental assurers	Sustainable Engineering & Business Solutions	Corporate Sustainability Reporting in NZ (2006)
URS Corporation	1951		Sustainability Services	2013 SE report
ERM	1971		Environmental assessment sustainability reporting & verification	2013 SE report
carboNZero	2001	Business entity (owned by Landcare Research)	CEMARS or carboNZero certification program. GHG tools	

There are five regulatory field players, organisations or groups of organisations, predominantly with standard-setting roles offering varying potential to influence SE reporting. Of these field players the New Zealand government has, perhaps, the greatest potential to regulate SE reporting practices through their role of setting and reviewing relevant legislation, including setting sustainability targets (MfE, 2007). The Minister for the Environment holds a key position within government with the potential to further SE reporting. In 1998, this ministry put out an information paper ‘*Summary of Comments made on the KPMG Information Paper Corporate Environmental Reporting*’ but mandatory SE reporting was subsequently rejected (Milne et al., 2001). In 2003, the MfE funded and helped co-author, with the SBN, a guide titled ‘*Enterprise Your Business and the Triple Bottom Line*’ with the goal of furthering SMEs’ efforts towards social and environmental practices incorporating the reasons for producing SE reports. In the early 2000s the Parliamentary Commission for the Environment and the Ministry of Social Development released sustainability-related publications, which did not result in regulated SE reporting. Although the current political climate makes mandatory SE reporting unlikely there is great potential for the government to progress this practice.

The IASB and the XRB both have standard-setting roles. The IASB focus on developing, publishing and improving International Financial Reporting Standards (IFRS) and this incorporates stakeholder input (IASB, 2013). The role of the XRB is accounting, audit and assurance standards interacting with other national and international field players (XRB, 2013). The XRB put in a supportive submission regarding the IIRC discussion paper. Similarly, the IASB have announced their intention to work with the IIRC on developing a global Integrated Reporting framework (IFRS, 2013).

‘The Big Four’, (Ernst and Young, Deloitte, KPMG and PricewaterhouseCoopers) engage in policy input through their membership of NZICA and offer a range of sustainability-related services to business entities. These accounting firms interact with a range of field players, national, international and business entities with their SE reporting role predominantly assurance. Note that these firms have a vested interest in the regulation of SE reporting because the role of each of these players would enlarge if mandated. Similarly, independent environmental assurers have client-based

relationships with business entities offering assurance services. URS published the following report in 2006 *‘Corporate Sustainability Reporting in New Zealand’*. Tonkin and Taylor list initiatives they are involved with including developing a sustainability manual for Watercare, advising Landcare on their SE reports and Sustainability Master Classes for the NZBCSD. URS and ERM display their SE reports on their websites and both companies are members of the SBC<sup>43</sup> with the latter applying the GRI G4 guidelines to their latest SE report. CarboNZero offers a specialist service managing, certifying and offsetting GHG emissions for clients (carboNZero, 2013).

#### **5.4.1 Regulatory Players and Isomorphic Pressures**

There may be some potential for regulatory field players to exercise normative and mimetic pressure on the SE reporting practices of business entities. However, the predominant potential of each of the regulatory players is coercive pressure, whether overt or covert, on SE reporting. Through informing policy and/or instigating regulation regarding SE reporting as well as assurance practices. Thus far, analysing international, national and regulatory field players offers the institutional context from which to better understand influences on SE reporting. This wider context leads to analysing the interactions, relationships and roles of three New Zealand SBIs.

#### **5.5 New Zealand Sustainable Business Intermediaries**

This section continues to analyse the SE reporting field identifying three New Zealand SBIs pertinent to this research: the SBN, PA and the SBC. The analysis includes systematically examining the SBI websites, annual reviews and related public documents, the process outlined in the method chapter. The publicly stated interest and claimed roles in the area of sustainability, sustainable development and/or SE reporting makes these SBIs the focus of this research. Furthermore, as argued previously, the role and interactions of SBIs, including their voluntary network-based membership relationships, provide potential to influence the SE reporting practices of New Zealand business entities, particularly through normative and mimetic pressure on SBI members. The section is structured longitudinally and includes: when these SBIs became established, who is involved, why they became established and the roles of these SBIs.

---

<sup>43</sup> ERM (international) is a member of the WBCSD and signatory to the United Nations Global Compact (ERM, 2013).

### 5.5.1 The Sustainable Business Network

The SBN established in 2002 and was the result of a merger of the Environmental Business Network (AEBN<sup>44</sup>), Business for Social Responsibility (BSR<sup>45</sup>) and Triple B. The SBN is a not-for-profit Incorporated Society run by CEO Rachel Brown with the national office located in Auckland, New Zealand. The membership base of the SBN (421 members in 2013) includes public sector organisations and SMEs through to large companies involved in various sectors (SBN, 2013a). The expressed rationale for the SBN establishment was to help business become more sustainable through providing advice and support stating it helps organisations on their “journey to be more resilient, socially and environmentally responsible profit...” (SBN, 2013b). According to the SBN website the principles of a sustainable business include: sustainability being central to the organisation’s vision; investment in people and culture reflecting sustainability; choosing and using efficiently the most sustainable resources; lifecycle approach in product and business; business investing in sustainable future and community; communicate sustainability successes and challenges to promote transparency and accountability and gain external accreditation for sustainable business practices (SBN, 2013b). These principles outline a business entity’s sustainability journey, encompassing SE reporting and external accreditation but members are not coercively pressured to produce SE reports.

There are no apparent criteria for membership to the SBN other than scaled fees starting at \$210 for individuals through to \$6,000 annually for national membership and a company with 100 million plus turnover (SBN, 2013b). The SBN offers benefits to members including practical support and collaborating on solutions. These benefits are implemented through expert advice, access to the member community online, networking events, access to a sustainability assessment tool, member discounts, monthly newsletters and a membership certificate (SBN, 2013b). Publications include ‘*Enterprise Your Business and the Triple Bottom Line*’ produced in conjunction with MfE focusing on SMEs business practices towards social and environmental change (SBN & MfE, 2003). The SBN also published two ‘*Sustainable Business Reviews*’ (2006; 2008), however, these were not consistently published. The

---

<sup>44</sup> Rachel Brown, the CEO of the SBN, established and ran the AEBN.

<sup>45</sup> In 1998 the founder of Hubbard Foods Limited, Dick Hubbard, formed and Chaired the New Zealand business for Social Responsibility (BSR) with one of his intentions to “make information available to interested parties” (Caddie, 1998).

types of events include: networking, seminar, workshops, breakfasts and specific events. These generally have a practical focus including: leadership, recycling, waste reduction, carbon management, environmental management and sustainability reporting (SBN, 2013b). This SBI offers a comprehensive tool - “Get Sustainable Challenge”- in order to improve members’ sustainability. This involves an initial assessment of the organisation, a follow-up report, a comparative (benchmarked) report and feedback, with optional entry into the SBN awards program focusing on sustainability (SBN, 2013a). The role of the SBN includes a focus on practical achievements with a key role in promoting sustainability awards. Although there are a number of media releases displayed on the SBN website, these predominantly have a focus on sustainability-related awards, with limited politically-focused documents (SBN, 2013b).

The role of the SBN is practical change towards members’ sustainability-related practices offering members’ easy and inexpensive access to resources, specialised advice and the opportunity to benchmark performance. This analysis highlights how the networked structure and benefits of membership to the SBN is likely to facilitate isomorphic pressures on members’ SE reporting practices. Specifically, membership to the SBN offers potential normative pressure for members to engage in the practice of SE reporting and exposure to other members’ SE practices illustrates potential mimetic pressure, with no apparent coercive pressure.

### **5.5.2 Pure Advantage**

PA was founded in 2011, and is based in Auckland, New Zealand. The rationale behind the establishment of PA is that the “private sector has an important role to play in creating a greener, wealthier New Zealand” (PA, 2013a). PA is a not-for-profit organisation, funded by 11 trustees with 7,165 signatories showing support for PA’s campaign for sustainable wealth. PA is running a ‘campaign’ to identify opportunities for sustainable economic growth while conserving New Zealand’s natural resources. The vision of PA is to create a partnership among government business and social groups, driven by government strategy. In order to achieve the aforementioned goals PA has put in two years of ‘robust economic research’, which has culminated in the following two reports.

The first report '*New Zealand's Position in the Green Race*' (PA, 2012a) highlights New Zealand's poor economic and environmental performance blaming poor political leadership from successive governments. This report suggests the right policies and investment from the government would incentivise private sector business entities towards green growth – New Zealand's potential competitive advantage. This report also acknowledges the predominance of SMEs in New Zealand as being a financially constraining factor and that public debate needs activating through "topical issues of specific national interest" (p. 55). The report identifies the importance of data collection, highlighting it as a problem in New Zealand requiring legislation. The focus on a low carbon economy is suggested as being the long-term future for green growth. The report identifies the value of carbon certification and New Zealand's internationally recognised programs, CEMARS and carboNZero. PA's first report exemplifies SE reporting as a potential government strategy used to motivate business entities, although a 'soft determining factor', through the inclusion of the "Green Industry Policy Matrix"<sup>46</sup>. This raises the question as to why SE reporting is not positioned as a hard determining factor – i.e. regulated?

The second report '*Green Growth: Opportunities for New Zealand*' (PA, 2012b) brings economic rigor to the previous report. It identifies what PA believes to be New Zealand's seven advantages in the green race: Home, Geothermal, Agricultural, Waste-to-energy, Biofuel, Smart Grid and Biodiversity. From these advantages this report identifies New Zealand's business opportunities, how to action these opportunities and the rationale behind each, with a common focus on the low carbon economy. The suggested measures include investment and government regulations. Examples include, investment in research and development; mandatory standards for emission reduction within the energy, transport, agriculture, and fishery sectors; and policy reviews including the potential for pricing water. Consequently, these proposals require measurement with the potential to externally report. The report also identifies three key barriers to implementation; a lack of industry coordination, an absence of a long-term green-focused policy and the need to analyse the business case for action. The publication of these two reports has raised comment within the media as well as being welcomed by the Chief Executives of both the SBN and the SBC.

---

<sup>46</sup> Drawn from the United Nations Economic and Social Commission for Asia and the Pacific, (UN ESCAP, 2009, p. 12).

Other than these two reports the website displays case studies from 35 New Zealand business entities, some of which are members of the SBN and the SBC<sup>47</sup>. There is no membership as such, or cost for involvement with PA, instead the campaign asks for ‘signatory’ support from individuals and organisations alike. The trustees include Sir George Fistonich, Rob Fyfe, Chris Liddell, Phillip Mills, Jeremy Moon, Rob Morrison, Geoff Ross, Justine Smyth, Mark Solomon, Sir Stephen Tindall, and Joan Withers – all high profile business people within the New Zealand context. PA states it is not affiliated with government through funding and does not have a corporate agenda, suggesting PA will not focus on exercising coercive pressure.

This analysis illustrates that PA is comprised of a network of influential individuals from large New Zealand business entities focusing on economic growth through investment in a low-carbon economy - proposing the business case as the way forward. PA identifies the leadership role required of government and business, with public support, in order to achieve this goal, highlighting the potential of isomorphic pressures. The growing public profile of PA enhances its potential to facilitate mimetic pressure through relationships with likeminded business individuals and coercive pressure through involvement in policy input, on business entities’ sustainability-related practices with some potential to influence SE reporting.

### **5.5.3 The Sustainable Business Council**

In 2012, after negotiation in the latter half of 2011, the NZBCSD<sup>48</sup> merged with BusinessNZ – Sustainable Business Forum (SBF)<sup>49</sup>. The agreed new name of this SBI is the SBC and the head office is located in Wellington. The ownership structure of the SBC is that of an Incorporated Society although termed a ‘peak industry organisation’. The rationale behind the merger of the NZBCSD and SBF is “an

---

<sup>47</sup> For example, 3R Group is a member of the SBN and SBC, Beca Group is member of the SBC, Resene is a member of the SBN. All of these business entities are publicly affiliated with PA through case studies being displayed on PA website (PA, 2013b).

<sup>48</sup> The NZBCSD established in 1999 and initially comprised 15 founding business organisations in New Zealand with a commitment to ‘sustainable development’ (NZBCSD, 2012). In 2008, at the height of its popularity, membership of the NZBCSD stood at 75 (Wright, 2011) but by the time of the merger, in 2013, membership had dropped to 46. This decline in membership occurred following the elected National Government in New Zealand.

<sup>49</sup> The SBF was established in 2009 to “provide a business-centric platform for New Zealand companies wanting to define and lead sustainable business matters, rather than simply respond to government-led initiatives” (SBF, 2010).

opportunity to build a strong collective voice on sustainability led by business” (Meadows, 2011). A media release stated the SBC started with 49 members (Meadows, 2011) and these included most of the remaining NZBCSD members. However, in 2013 the members numbered 42 business entities (SBC, 2013a). The SBC has maintained partnership with the WBCSD being one of 60 regional business councils (WBCSD, 2013).

The aim of the SBC is to “promote sustainable business and policies” (Meadows, 2011). The stated vision is “we seek to contribute towards achieving a sustainable New Zealand and global sustainable development” (SBC, 2013b). The SBC offers the business case as the rationale behind sustainable development, resting on the three pillars: “economic growth, social progress and ecological balance” (SBC, 2013c). Sustainable development is suggested by the SBC as a holistic and strategic concept requiring integration of the three pillars with the goal of making global society better altogether. The SBC website displays the United Kingdom definition of sustainable development “ensuring a better quality of life for everyone, now and for generations to come”. The following is the SBC’s ‘sustainable business case’:

- Be more efficient and competitive
- Engage in responsible entrepreneurship
- Increase their financial return and reduce risk for shareholders
- Attract and retain employees
- Improve customer sales and loyalty
- Grow supplier commitment
- Strengthen community relations
- Contribute to environmental sustainability (SBC, 2013c)

Since the merger the SBC website has evolved<sup>50</sup>, following a disbanding of the NZBCSD website, with more information being included. Although the missions and aims are similar to the NZBCSD key membership benefits are stated to include “a key leadership platform globally linked to policy, business and sustainability organisations, significant government engagement, diverse company representation and collaborative partnerships bringing together private, public and community sectors” (SBC, 2013c). These are examples of normative pressures exercised through

---

<sup>50</sup> The SBC website is incorporated under its umbrella business organisation website, BusinessNZ.

membership of the SBC as well as mimetic pressure through collaboration among field players.

Membership is by invitation and is financed through a scale of membership fees based on a company's turnover starting at \$2,500 (turnover of 0-5 million) through to \$15,000 (turnover of 50 million plus). Membership criteria include producing a SE report within three years of joining, a carbon intensity reduction plan reported to the SBC within two years and producing a carbon footprint within one year. Since the merger, aspects of membership appear to have tightened with resignations invited if member commitments are not fulfilled, highlighting coercive pressure. These commitments now include expectations regarding requests for information, participation in at least one SBC initiative every two years, expectations that members report on sustainable procurement from no less than six of their ten top suppliers within three years of joining and adherence to the 'Statement on Principles for Sustainable Development' (SBC, 2013b). This framework includes: public corporate policies being developed on sustainable development principles; integrated decision-making including sustainable development management systems and considerations; strengthening relationships through open and transparent stakeholder dealings and communicating performance; continuous improvement against sustainable development principles and objectives; and leadership to drive sustainable development principles (SBC, 2013b).

The SBC publications include a longitudinal collection of project reports on display including seven earlier ones published by the NZBCSD and the more recent '*Vision 2050*'<sup>51</sup> which was completed collaboratively - focusing on opportunities and solutions for businesses in New Zealand and based on the world population doubling (SBC, 2012a). *Vision 2050* identifies important areas where reporting is required; environmental reporting in the waste and materials sector (p. 49); quality environmental reporting for the tourism sector (p. 52); and further projects including "Corporate Ecosystem Valuation and Reporting" (p. 69). Of further interest is the identified priority action of Integrated Reporting being adopted by all of New

---

<sup>51</sup> *Vision 2050* is a WBCSD initiated project that the NZBCSD undertook which was subsequently completed by the SBC (SBC, 2012a).

Zealand's largest companies and all listed companies being coercively required to report on an established set of environmental and social factors, by 2020.

A number of sustainability-related guides are displayed on the website of the SBC and include: procurement, paper buying and supply-chain, zero waste and energy efficiency. More specifically, some of the reports relate to measuring and reporting on GHG emissions and the '*Sustainable Development Reporting Guide*', which was published in 2002 by the NZBCSD, and is included. There are a total of 19 members SE reports' displayed on the SBC website, 18 are dated 2011 and one dated 2012 (SBC, 2012b). The list is not exhaustive but appears to include GRI rated SE reports that are assessed through Landcare Research - CarboNZero; the official GRI data partner for the SBC. These are all examples of interactions within the field with potential to facilitate isomorphic pressures on SE reporting. The SBC does not appear to publish an externally available Annual Review<sup>52</sup>.

Notable individuals from the earlier SBF are still involved – Phil O'Reilly remains as the Chief Executive Officer and Jacinta Syme the Manager. The chair of the SBC is Brett Tomkins, a Deloitte partner viewed as a sustainability leader (Meadows, 2011). Phil O'Reilly is maintaining the public profile of the SBC being the main speaker at the Lincoln University State of the Nation's Environment address held on Thursday 18<sup>th</sup> October 2012 – '*Can growth be sustainable? 25 years on from the Brundtland Report*'. O'Reilly suggests the aim for New Zealand should be 'greening growth'. He proposes that having 'better conversations' within different areas of society such as, politicians, business and consumers, as well as producing more evidence-based research is the method which will lead to the "best New Zealand we can achieve". O'Reilly thinks this approach should be business logical not coercively based (O'Reilly, 2012).

The terminology used to describe the newly formed SBC, the "peak business sustainability body" (Scoop, 2012), is suggestive of its economic focus. Phil O'Reilly voiced public support for the recent PA publication and this fits the business case for sustainability. However, the merger also appears to have altered the SBC's expectations of its members. The threat of sanctions for members that do not comply

---

<sup>52</sup> The NZBCSD published externally available Annual Reviews from 2002–2012.

with the membership criterion offers potential to coercively influence the SE reporting practices of members. Furthermore, the affiliation the SBC has with significant numbers of large business entities in New Zealand and its political access highlights the potential of the SBC to facilitate mimetic influence on business entities SE reporting practices as well as offering normative pressure on members.

## 5.6 Chapter Summary

This chapter analysed the SE reporting field, offering context for the research and identifying international, national and regulatory or standard-setting players. This process highlighted interactions and relationships among players and their differing roles with potential to influence business entities SE reporting practice through the pillars of isomorphism.

Presenting this chapter offers insights into the potential influence three New Zealand SBIs have on the SE reporting practices of business entities, particularly SBI members. The roles of the SBN, PA and SBC have the potential to influence SE reporting through mimetic pressure among players within the field, normative pressure through membership of these SBIs and coercive pressure through a membership criterion and influencing government policy, if exercised. However, considering two of these SBIs have been established for over a decade leads to questioning why institutionalised SE reporting has not yet happened.

The following two chapters present and analyse the findings from the data collection each addressing one research question. Chapter Six addresses the first research question through thematically describing and analysing participant perceptions of influences on the practice of SE reporting in New Zealand and why SBI members resist this practice. This is followed by Chapter Seven which addresses the second research question, a thematic description and analysis of participant perceptions regarding New Zealand SBI's influence or potential to influence the practice of SE reporting in New Zealand.

The findings are considered through the lens of NIT, reflecting on interactions and relationships among field players and utilising coercive, normative and or mimetic pressures, to better understand why the practice of SE reporting is not institutionalised in New Zealand and the role SBIs fill relative to this practice. The final chapter offers a conclusion and recommendations.

## Chapter 6 - Analysing Social and Environmental Reporting in New Zealand

### 6.1 Chapter Overview

This thesis commences with evidence that SE reporting trends in New Zealand are ‘starting behind’ international counterparts (see p. 4 Figure 1-1 KPMG Corporate Reporting Quadrants). The literature highlights a range of influences on, and motivations for, SE reporting. These include accountability, the business case and institutional pressures.

The accountability rationale for SE reporting is based on moral reasons, because business entities hold power through controlling resources and this should correspond with a responsibility to provide accounts to stakeholders. The business case rationale suggests there are benefits for business entities providing SE reports and these include having a competitive advantage and/or managing legitimacy. Furthermore, Buhr (2007) highlights there are proactive and reactive aspects to these rationales (see p. 19, Table 2-1 Rationales for Sustainability Reporting). NIT offers explanations of change, through positing that players within an organisational field exert isomorphic pressures, normative, mimetic and coercive, thus institutionalising practice.

In New Zealand there are few regulations requiring SE reporting and the voluntary uptake of this practice is poor. Hence, the supposition is that New Zealand business entities reject these rationales, and resist isomorphic pressures to produce SE reports and this further motivates the first research question.

- Why have social and environmental reporting practices among New Zealand business entities not become more widespread and institutionalised, when they so clearly seem to have done so in many other countries?

In order to address the first research question, Chapter Six analyses and interprets interview findings, using background literature and the lens of NIT. The first section presents the views of SBI members and SBI representatives, regarding the importance of sustainability-related practices, including SE reporting. The second section draws from the previous chapter, The Organisational Field, which identifies key players that

influence or have the potential to influence sustainability-related practices. The views of SE reporters and non-consistent SE reporters are analysed with regard to players that influence their sustainability-related practices, including SE reporting. The final section of this chapter analyses the views of SBI members and SBI representatives as to why the practice of SE reporting is resisted, including the effect of the New Zealand business environment on SE reporting and the perceived barriers to this practice.

## 6.2 The Importance of Sustainability-Related Practices

This section presents and analyses the perceptions of all research participants regarding the importance of sustainability-related practices, including SE reporting. The views of SE reporters and non-consistent SE reporters are analysed in order to understand their involvement in sustainability-related practice and to better explain why there is resistance to SE reporting, particularly considering their membership with SBIs. The views of SBI representatives are subsequently analysed in order to understand whether their views correlate with the views of their members.

### 6.2.1 SBI Members - 'Doing' Sustainability-Related Practices

Non-consistent SE reporters express strong views regarding how sustainability-related practices are actioned and express some doubts regarding the importance of publishing an external SE report. Examples of sustainability-related practices include: efficient resource use, waste reduction and improved product and service design.

*What really matters to Beca is the practices and what we're actually doing to make sure that we are sustainable (Beca).*

*...better at doing than recording... [2002 SE report], doesn't mean you're not doing it; you're just not measuring it (Hubbards).*

*Resene's really funny they just get on and do the stuff but they don't necessarily report it (Resene).*

*Doing and reporting are separate things even if you're already doing the practice why should you report...? (Waikato Management School).*

The Waikato Management School participant further explains the general behaviour of non-consistent SE reporters, which is that businesses are motivated to publish external SE reports if there are tangible benefits from doing so. This view corresponds with the business case rationale (Brown and Fraser, 2006; Stigson and Rendlen, 2012). The focus of non-consistent SE reporters appears to be on 'doing'

sustainability (Collins et al., 2007; 2010) with the importance being placed on the outcome of this action (Lee, 2008). However, providing an account of this action through external SE reporting<sup>53</sup> is deemed less important (Stubbs et al., 2013; Higgins et al., 2014). Yet, practical actions towards reducing unsustainable practices (Unerman et al., 2007) are further reflected through non-consistent SE reporters, such as Living Earth and 3R, targeting business opportunities which incorporate sustainability (Hawken et al., 2002).

Engagement in sustainability-related practices is deemed important and this raises the following question. ‘Does the business case and/or accountability rationale offer clear benefits for business entities doing sustainability-related practices but not for reporting on these actions and is there no pressure to do so?’ This leads to a discussion of the importance of publishing SE reports.

### 6.2.2 SBI Members - Reporting on Sustainability-Related Practices

The majority of SBI members believe SE reporting is important. However, the behaviour of non-consistent SE reporters would suggest there are no moral obligations, no perceived benefits and no institutional pressures to produce SE reports.

*It's really important...it's the transparency, it's people knowing that when Sanford goes on the media or when Eric [CEO] is being interviewed by radio or TV he can be believed because we are not hiding...credibility is a biggie and it's engagement (Sanford).*

*It's the right thing to do. Transparency and accountability is really important (Beca).*

*We put the second report out [in 2007] because it was really felt that it was important (Hubbards).*

*...allowing the content to demonstrate a level of trust with the information that's there, so people believe (Fonterra).*

SBI members offer an accountability rationale for SE reporting. Engagement in SE reporting is believed to be ‘the right thing to do’ (Pfeffer, 1981), a moral duty predominantly fostered through an internal champion (Buhr et al., 2014) and indicative of normative pressure (Higgins and Larrinaga, 2014). However, the

---

<sup>53</sup> The findings reveal that non-consistent SE reporters’ engage in sustainability-related practices and these practices can include specifically focused SE reports which are often only internally available.

business case rationale is also evident with participants discussing the need for transparent and credible information (Buhr et al., 2014). For example, the Fonterra participant acknowledges the importance for stakeholders to be able to trust publicly available information. Fonterra's focus appears to be business reputation (Bebbington et al., 2008) as well as maintaining a social license to operate (Buhr et al., 2014).

Although the Hubbard participant believes in the importance of SE reporting he went on to express uncertainty about 'who' the audience for external SE reports is. This is similar to the view of the Resene participant and highlights a lack of external pressure on non-consistent SE reporters. As proposed by Bansal (2005), these views suggest there is a lack of stakeholder demand or coercive pressure to produce SE reports which may be explained through the predominance of SMEs in New Zealand.

Three non-consistent SE reporters also suggest the strategic focus in SE reports is missing, and interest is lacking.

*At Resene there isn't a lot of interest in a report...and...reporting looks backwards (Resene).*

*Unless your reporting is connecting to some of your strategy there's no point to the reporting in the first place...and...it's the quality of the report going forward (Fonterra).*

*Maybe [SE reporting's] been a little bit hijacked, lost the importance, and the fact that you're the second person to ask [why we do not publish SE reports] suggests I'm probably not too far wrong (Hubbards).*

The Resene participant also suggests there is a lack of internal interest from management and employees to publish SE reports, indicating that internal normative pressure is weak. She comments that SE reports often lack a strategic focus. In contrast, the Warehouse and Sanford participants claim to have strategically refocused their SE reports. Fonterra, a non-consistent SE reporter, also claims that those disclosures they do publish are strategically focused. Aligning with Buhr et al. (2014), SE reports, to some degree, appear to be driven by the immediate and strategic objectives of an entity (p. 59).

### **6.2.3 SBIs Representatives' Perspectives - The Importance of Sustainability-Related Practices**

SBI representatives' views vary regarding the importance of sustainability-related practices, including SE reporting.

The SBN representative questions the importance of SE reporting. This view is surprising, considering the SBN involvement in annual sustainability awards.

*Reporting, you know reporting's just a very limited function really in terms of change. It's kind of a show off moment; it should be anyway cause often companies are doing [sustainability] (SBN).*

The SBN representative suggests their focus is on facilitating members' sustainability through reducing unsustainable practices (Unerman et al., 2007). Although this view alludes to a moral duty for doing the right thing (Pfeffer, 1981), and is indicative of internal normative pressure (Higgins and Larrinaga, 2014), the SBN representative does not believe SE reporting will result in substantial change. Hence, the business case rationale, not accountability, may explain resistance to reporting on the outcome of these actions (Stubbs et al., 2013). Furthermore, the SBN does not consistently produce SE reports or apply coercive pressure on their members to produce SE reports.

The SBC representative believes SE reporting is important for the SBC and for members of the SBC<sup>54</sup>.

*How can you prove that you're, you know, more exemplary in this area and we've got to be able to demonstrate that [through SE reporting] (SBC).*

The SBC representative indicates that the importance for the SBC producing a SE report is credibility, of the SBC and of their members, in order to demonstrate practice to stakeholders. The concept of legitimacy is evident (Suchman, 1995) and this rationale aligns with Buhr et al. (2014) who identify leadership and image as proactive facets for SE reporting. This view alludes to the potential of stakeholder pressure corresponding with Higgins et al. (forthcoming). However, the SBC has not yet produced a SE report and have not enforced coercive pressure on members, through the membership criterion, to produce SE reports.

The PA representative understands that SE reporting is important, but is only one aspect of enabling sustainability.

*I recognise it as a professional, as an important part of delivering sustainability for an organisation. This field is so multi modal that sustainability reporting is an intrinsic*

---

<sup>54</sup> As noted in Chapter Five, the membership criterion of the SBC requires a SE report to be produced and published within three years of joining, but this practice is yet to be enforced.

*and very important issue and an enabler of sustainability, but it's not the only one (PA).*

The PA representative recognises SE reporting is important and, similar to Buhr et al. (2014), that SE reports need to be strategically motivated, alluding to the business case rationale. However, the potential for PA to exercise pressure on members is yet to be explored.

#### **6.2.4 Section Summary**

Engagement in sustainability-related practices is viewed as important. The belief of non-consistent SE reporters appears to be echoed by the SBN representative, i.e. that doing sustainability-related practices is viewed as more important than reporting on the outcome of these actions (Stubbs et al., 2013). Although engagement in sustainability-related practices is predominantly financially-focused (Milne et al., 2009), this practice is institutionalised among SBI members (Collins et al., 2007; 2010).

Most participants also stress that SE reporting is important for business entities to be accountable, and/or legitimate (Gray et al., 1996; Suchman, 1995). However, this has not translated to the institutionalisation of this practice in the organisational field, let alone New Zealand. This raises questions regarding the value SBI members and SBI representatives place on providing stakeholders with transparent accounts of their actions towards sustainability. Furthermore, the question arises, why does the SBC require members to produce SE reports but not enforce this requirement?

The findings so far suggest normative pressure, through the rationales of accountability, and more prominently, the business case, explain the perceived importance of sustainability-related practices and SE reporting. The behaviour of non-consistent SE reporters suggests there is no moral obligation, no perceived or actual benefits and, to date, there has been little or no pressure for them to engage in SE reporting. This finding suggests other isomorphic pressures are lacking within the organisational field. Hence, the next section explores SBI members' perceptions about what influences the practice of SE reporting.

#### **6.3 Influences on Sustainability-Related Practices**

This section analyses perceived and potential influences on SBI members' sustainability-related practices in order to better understand why SE reporting has not

become institutionalised in New Zealand. Similar to Adams (2002), the findings are organised according to internal and external influences and SBI members' involvement in SE reporting. This structure allows a comparison of the effect isomorphic pressures have on SBI members' engagement in sustainability-related practices, including SE reporting.

### 6.3.1 Internal Influences on Sustainability-Related Practices

The views of SE reporters and non-consistent SE reporters are presented regarding internal influences on their sustainability-related practices, including SE reporting. These views are offered in order to understand whether internal normative pressure, explained through an accountability and/or business case rationale, has influenced SBI members' engagement in SE reporting and what potential internal normative pressure offers for institutionalising the practice of SE reporting in the organisational field and New Zealand.

SE reporters identify internal 'champions' who have a longstanding position within the entity as having influenced the initial decision to publish SE reports. Furthermore, responses suggest that corporate culture evolves through internal engagement and informs the content of SE reports. The SE reports<sup>55</sup> are available on the websites of SE reporters. The Warehouse participant discusses having standalone SE reports and this format is viewed as being important for this entity. Similarly, the Sanford participant states she would not do all the work producing a SE report to have it only available online and not know who is reading it. The Sanford participant further acknowledges that she tracks the number of downloads and printed paper copies of the SE report. However, she realises this may not fairly reflect readership.

*We tend to do that [input] mostly internally (Watercare).*

*That [content] goes through some filters internally, our management executive team and is discussed with them (Sanford).*

*Employees themselves, they give feedback (Inzide).*

*We need to be telling our stories through the eyes of our people that are involved... I've gone around most of our branches this year talking to management teams about our report, why we do it, who they should give it to, why it can help them (Sanford).*

---

<sup>55</sup> Inzide Commercial make their SE reporting information available online, and Watercare's SE reporting is encompassed within their Annual Report.

The influence of individual champions, on the decision to produce external SE reports, concurs with prior literature (Larrinaga and Bebbington, 2001). Responses illustrate internal normative pressure (Zucker, 1987), i.e. SE reporting is viewed by champions as ‘the right thing to do’ (Pfeffer, 1981). Findings also highlight significant internal influence on the format, content and accessibility of SE reports (Adams and McNicholas, 2007; Pennington and More, 2010). In combination, the above influences reflect Adam’s (2002) findings whereby corporate culture influences the process of SE reporting. However, the Sanford participant also reveals how management filters information, exercising control over aspects of the SE reporting process (Owen et al., 2000; O’Dwyer and Owen, 2005b) and how this information is most likely to be used for improved reputation or risk management (Bebbington et al., 2008).

Non-consistent SE reporters commonly cite having an internal champion with a long-standing role in the entity as having an influence on their sustainability-related practices and on their non-consistent internally available, SE reports. For example, although the Hubbards participant is unsure as to the motivation behind publication of the 2002 SE report, he identifies an internal champion.

*He’s [Dick Hubbard] certainly proud of it (Hubbards).*

The participants from Living Earth, Hubbards and Beca are unsure if they would make SE reports externally available in the future even if they were to produce them. However, the Beca participant indicates there are strong internal influences to do so.

*Internally we’ve been campaigning to make it publicly available for quite some time...I think in the future there is a potential for it to be publicly available (Beca).*

The Waikato Management School participant is optimistic that if resources are redirected and a leadership position taken, SE reporting could ensue.

*We’ve never ever had anyone to lead such an initiative it’s been talked about but this is part of what I’m saying, that resources were never put in to maximise our opportunities or obligations (The Waikato Management School).*

Based on non-consistent SE reporters’ responses, internal normative pressure is evident (Pfeffer, 1981; Higgins and Larrinaga, 2014). Champions promote sustainability-related practices but reporting on the outcome of these actions is deemed less important and has not eventuated (Stubbs et al., 2013). Furthermore, an

analysis of two participant responses, Beca and the Waikato Management School, highlights conflicting internal normative pressure. Employees propose the accountability rationale for involvement in SE reporting, whereas management espouse business case arguments for resisting this practice, specifically citing resources, cost and leadership, as barriers (Buhr et al., 2014). These findings reiterate that internal normative pressure is not enough to institutionalise the practice of SE reporting. Hence, the following section explores external influences on this practice.

### **6.3.2 External Influences on Sustainability-Related Practices**

The views of SE reporters and non-consistent SE reporters are presented regarding external influences on their sustainability-related practices, including SE reporting. This question is raised in order to compare and contrast the rationales for and against engagement in practice. Furthermore, comparing views offers the ability to better understand the potential of isomorphic pressures for institutionalising SE reporting in New Zealand.

#### **6.3.2.1 International Field Players' Influence on Social and Environmental Reporting**

SE reporters reveal that the GRI, ISO and CDP have an influence on the process and content of their SE reports, not on their deciding to report. However, the financial drawback for following SE reporting standards or guidelines and having these practices audited is also raised.

*But I use it [GRI] at the end more than at the [beginning]. I don't write a report to tick the boxes but some of the boxes they have on offer I think actually that's a really good thing to report on. So it's a tool yeah, but not, not the bible (Sanford).*

*We used to have ISO and we realised that we didn't embed it the right way so we were kind of rushing to the audit last month but not really having incorporated it in the practices so we stopped doing it because it was costing a lot of money and we didn't obviously use it the right way (Watercare).*

*What will be more of an influence is the CDP and the requirements for that because that is directly related to investors through the share market, which is our owners (The Warehouse).*

International players hold key positions in the field (Higgins et al., forthcoming) allowing them to exercise and/or facilitate, through interactions, a range of isomorphic pressures on SE reporting. The influence of the GRI, ISO and CDP on SE reporters illustrates credibility through the application of normative standards (Goswami and Lodhia, 2012). Predominantly, international players influence SE

reporters through external normative and mimetic pressure. However, the CDP has potential to coercively pressure large companies listed on the NZX 50, through stakeholders. SE reporters' behaviour is primarily aligned with the business case rationale, proactively focusing on legitimacy and reputation (Buhr et al., 2014).

Non-consistent SE reporters also acknowledge influence on their sustainability-related practices from the GRI and ISO, but not from the CDP. This influence extends to the process and content of their limited internal SE reporting but has not resulted in their deciding to report.

*We are, you know, ISO accredited. We think our third party verification schemes of your business provide a level of accountability, particularly where that is a key influence in decisions of key customers (Living Earth).*

*Our report is currently written more or less to ISO standards. I mean I don't know if we go through, if it would survive a relatively, you know, a formal stringent audit or review (Beca).*

*There are a myriad of frameworks (Fonterra).*

*When you get into them you find there's a lot of short cuts which don't make them feel genuine and you question whether you really want it (Hubbards).*

Non-consistent SE reporters are aware of international players but they note issues with the number of reporting frameworks and identify shortcomings<sup>56</sup> (Pennington and More, 2010; Doane, 2002). The roles of international players facilitate normative and mimetic pressures, but are resisted by non-consistent SE reporters and coercive pressure is not evident. Hence, the business case rationale is also applicable for non-consistent SE reporters, but this is reactively-driven (Buhr et al., 2014) and relates to product credibility, not the practice of SE reporting.

### **6.3.2.2 National Field Players' Influence on Social and Environmental Reporting**

SE reporters perceive Awarding Bodies, Envirostate, Landcare Research through carboNZero and The Natural Step as influencing the process and content of SE reports but not their decision to produce SE reports.

*...especially around sustainable reporting I go to the awards, [but] one short challenge that we need in New Zealand is how do we benchmark ourselves against each other. At the moment there is only NZICA reporting awards (Sanford).*

---

<sup>56</sup> The participant from Watercare, a consistent SE reporter, also highlighted the number of SE reporting frameworks as an issue.

*They [Envirostate] have influence in a way because I have been trying for GRI with them and I guess, I know actually, I wouldn't be doing the work that I'm doing on improving our GRI if I hadn't had that training in thinking process with Envirostate (Watercare).*

*[Within] Landcare Research's carboNZero Company they have CEMARS and carboNZero. CEMARS is not about offsetting it's just about tracking. Most of their people are tracking which I found again interesting because it's only going to cost because it costs us for our sized company about six grand a year to offset our carbon. It's not a lot of money in this context (Inzide).*

*She's [Lyn from The Natural Step] a very big critic. She always wants us to do more and more and more and go deeper. As far as she's concerned the more the better. I disagree with her because I think it's just too much information and people don't want to read it. And I'm very web conscious and when people go there what they're after and if they want to dive then dive, dive, dive but don't have it all there up front (Inzide).*

There is evidence of normative and mimetic pressures from national players on SE reporting but notably coercive pressure is lacking. Despite some SE reporters' regular involvement in the SE reporting awards, this practice has not diffused and little has changed since the mid-1990s (see Gilkison, 1995-2003). The role of Envirostate appears to enable normative pressure through offering services relating to the application of the GRI and ISO. Similarly, the Natural Step has an influence on the credibility of SE reports through focusing on increased disclosures. CarboNZero is the only national player with a coercive role, but engagement is voluntary and the cost of certification is cited as an obstacle (Collins et al., 2010; Stubbs et al., 2013). However, the participant from Inzide (a SME) does not view cost as a barrier, illustrating a belief in doing the right thing (Pfeffer, 1981) through offsetting carbon emissions. Although the accountability rationale explains this behaviour, the business case rationale appears to be a more likely explanation for engagement in this practice.

Overall the role of national field players offers weak normative and mimetic pressure on the process and content of SE reports thus not motivating the decision to start reporting. This explains why non-consistent SE reporters did not discuss national players as having any influence on their sustainability-related practices.

### **6.3.2.3 Regulatory and Standard Setting Players' Influence on Social and Environmental Reporting**

Of significance, all SE reporters engage an auditor and responses indicate this process has an important influence on the content, credibility and format of SE reports.

*Auditors really hammer you if you don't [disclose information] for materiality and sustainability issues (Sanford).*

*The fact that we're doing it [SE reporting], to them [stakeholders] says 'oh okay'. And who's auditing it is the other thing. We always say third party verification is so important (Inzide).*

*We have a whole lot of measures to report on. As I said, we thought the easiest way is to have an annual report (Watercare).*

The role of regulatory players is found as a significant mimetic and potential coercive pressure on SE reporters. SE reporters elect limited assurance which aligns with credibility issues regarding the content and quality of SE disclosures (Pennington and More, 2010). This practice further illustrates Robertson's (2012) concerns with assurance trends in New Zealand. It appears SE reports are influenced through mimetic pressure with similar content, format and limited assurance practices. Coercive pressures are also evident and include stakeholder expectations and adherence to regulatory requirements. Overall, assurance practices appear to be motivated by legitimacy, but unless coercively pressured, the role of auditors is unlikely to institutionalise this practice, let alone SE reporting.

The responses from non-consistent SE reporters suggest audit and certification has a strong influence on sustainability-related practices, notably the credibility of products.

*.Some level of assurance is required. What we want to do is make sure the report helps support and substantiate what we stand for (Fonterra).*

*I like the thought of giving added assurance to customers about what we're up to and it never hurt to have an accredited program (Resene).*

Several non-consistent SE reporters hold the belief that audit and certification provides credibility, transparency and accountability (Othman and Ameer, 2009; Pennington and More, 2010) for products, customers and the SBI member. However, concerns are expressed by the participant from Hubbards about the genuineness of assurance and the financial motivations behind the 'Big Four' (O'Dwyer, 2011). Overall, the business case motivates product assurance through social pressures and competitive advantage (Buhr et al., 2014) but this practice is not institutionalised.

#### **6.3.2.4 Stakeholder Influence on Social and Environmental Reporting**

All SE reporters perceive stakeholders as having an influence on the availability and content of their SE reports. External events also have a significant influence.

*Our large customers, the fact that we've published it [SE report], that's all they want to know (Inzide).*

*We need to change the way we do things. The three vessels in our Pacific Tuna fleet weren't ISO 14001 certified they now are and just sort of reinforcing the compliance across the whole company (Sanford).*

Based on responses from SE reporters' the power of stakeholders to influence SE reporting depends on their position within the organisational field (Hardy and Maguire, 2008). For example, it appears that social pressure through media exposure either forced Sanford<sup>57</sup> to regain legitimacy (Deegan et al., 2002) or to ensure reputation risk management (Bebbington et al., 2008) through the increased application of ISO standards (World Bank Group, 2003). Although, coercive pressure through stakeholders, local and global markets, arguably influenced Sanford to disclose more information, these stakeholders are also the target for this information.

Several non-consistent SE reporters indicate there is significant influence from external stakeholders on sustainability-related practices noticeably the content of current specific disclosures.

*Reporting is not for an internal audience. Reporting is going to be for people that you want to make the right impression on (Waikato Management School).*

*We're in our infancy in terms of coming to [SE] reporting...pull's coming from customers offshore, or retailers offshore, or the community offshore (Fonterra).*

Non-consistent SE reporters also highlight that SE reporting is audience-related, specific to the market or industry and SE reporters act individually. For example, Fonterra appears to be under coercive pressure, attributable to certain (powerful) global stakeholders. While the Fonterra participant suggests they are new to SE reporting, Fonterra has been dabbling in this practice since 2001 (Milne et al., 2011). Non-consistent SE reporters also focus on legitimacy through maintaining a social license to operate and managing their image (Buhr et al., 2014) through product credibility, not SE reporting.

---

<sup>57</sup> In 2011, Sanford was alleged to have dumped oil waste directly in to the sea at Pago Pago, American Samoa, and altered on-board oil records accordingly (Field, 2012). This event resulted in extended media coverage of Sanford's fishing and environmental practices and the engagement of a Public Relations firm stressing the importance of disclosure and influencing the level of content.

### **6.3.3 Section Summary**

The accountability and business case rationales, through internal champions, explain the institutionalisation of SBI members' sustainability-related practices (Collins et al., 2010; Buhr et al., 2014). Internal normative pressure has influenced SE reporters' decision to start reporting. Although internal normative pressure is evident within non-consistent SE reporters, the business case rationale may also explain resistance to producing external SE reports, suggesting other isomorphic pressures are required to further this practice.

The predominant isomorphic pressures exercised by international and national field players are normative and mimetic, with weak coercive pressure exercised by regulatory players and stakeholders. However, weak isomorphic pressures, further explained through the above rationales, have not resulted in the institutionalisation of SE reporting in New Zealand. This leads to exploring participants' views regarding resistance to the practice of SE reporting.

## **6.4 Resistance to Social and Environmental Reporting**

In order to better understand why SE reporting is not institutionalised in New Zealand, this section begins with an analysis of participant views about what is lacking in the business environment and perceived barriers to this practice. This section presents the views of SE reporters and non-consistent SE reporters, followed by the views of SBI representatives in order to compare and contrast perspectives. This structure allows an analysis of participant perspectives regarding which isomorphic pressures are lacking in the New Zealand business environment and the effects on SE reporting.

### **6.4.1 The New Zealand Business Environment**

Previous findings in this chapter highlight that participants consider the practice of SE reporting to be important. Furthermore, there are a range of influences on, rationales for, and evidence of, weak isomorphic pressures on SBI members' SE reporting. However, this practice is not institutionalised in New Zealand. Therefore this section seeks to compare and contrast the views of SE reporters, non-consistent SE reporters and SBI representatives' regarding the effect of the New Zealand business environment on SE reporting practice.

#### 6.4.1.1 SE Reporters' - Perspectives on the New Zealand Business Environment

Responses from SE reporters highlight that external pressure through government leadership and/or stakeholders is lacking in the New Zealand business environment.

*I think the government will have a big part if they wish to. I think that'll be the number one driver (Inzide).*

*I hope it becomes NZX requirements as in other countries. If we could get all NZX 50 companies doing some kind of sustainability reporting, even if it's summaries and reviews that are audited in some way (Sanford).*

*There are murmurs at the moment about MfE and product stewardship...but our plan is to beat them to it (The Warehouse).*

The views of SE reporters concur with Gray et al. (1996) that greater government involvement is necessary to further SE reporting. The Watercare participant explicitly notes that leadership through central government is lacking. Specific examples include the Inzide participant citing carbon tax and the Sanford participant suggesting the need for listing requirements on the NZX 50. As Larrinaga (2007) and Scott (2009) propose regulating SE reporting would offer SBI members greater legitimacy for their involvement in sustainability-related practices. However, the literature indicates business entities voluntarily publish SE reports to reduce the likelihood of mandatory SE reporting standards (Gray et al., 1996; Bruno and Karliner, 2002; Welford, 1997; Utting, 2005). This raises questions regarding whether New Zealand SE reporters are voluntarily producing SE reports to reduce regulatory costs, further affecting assurance practices (Robertson, 2012). It appears the threat of government regulation (Handford, 2010) influences the SE reporting practice of The Warehouse. However, does the business case rationale prevent the government from regulating this practice?

The Warehouse and Sanford participants also suggest there is potential for shareholders and future investors to demand SE reporting. However, these participants also highlight the predominant profit focus of these stakeholders (Brown and Fraser, 2006; Adams and Narayanan, 2007) and trade-offs between the cost and benefits of SE reporting. Although the Sanford participant notes resources are a constraint to producing SE reports, her view also exemplifies the power of stakeholders, through future investors, to alter this practice. Furthermore, Integrated Reporting is mandated in South Africa and may yet provide some stimulus for New

Zealand. Essentially SE reporters cite a lack of coercive pressure in the New Zealand business environment.

#### **6.4.1.2 Non-Consistent SE Reporters' - Perspectives on the New Zealand Business Environment**

Non-consistent SE reporters air various views relating to regulation but predominantly agree it is required. The lack of stakeholder demand is also discussed.

*Some political change, like I said right at the start of this conversation, does need to happen (3R).*

*Legislation is another but we're not getting that here [New Zealand] at the moment" (Waikato Management School).*

*I think that [regulation] would be fantastic in terms of increasing the transparency of sustainability in a New Zealand context (Beca).*

*I believe that if it was legislated that naturally we would [produce a SE report] and I don't necessarily believe that would be a bad thing either for the New Zealand brand (Hubbards).*

Specific examples of regulations and sanctions, such as local authority requirements are cited as an influence that coercively drives reporting behaviour. For example, the Living Earth participant response states the Waste Minimisation Act is now regulated and consequently has substance:

*If you don't produce this [report] we will come and we will be after you (Living Earth).*

However, non-consistent SE reporters also offer the business case rationale to justify their current practice (Higgins et al., forthcoming). The Hubbards and Fonterra participants raise concerns regarding the compliance focus of SE reporting. Furthermore, participants from Resene and Beca argue that voluntary initiatives have merit in motivating behavioural change.

*I think it would be great if all local government, regional government and central government agencies had a sustainability report or an environmental report or something along those lines. I think that would be excellent because a lot of people look to those organisations in order to guide us as to what they should be doing in terms of their reporting (Beca).*

The Living Earth participant offers a contrasting view:

*Government policy, the voluntary schemes.....sound good but the reality is they don't really work that well (Living Earth).*

The Hubbards participant expresses uncertainties as to who would tell business entities they must produce a SE report, whereas, the participant from Resene raises concerns about the prospect of external SE reports being regulated by the government and the difficulties for business entities implementing this.

*The other half would be going 'how do I put these numbers into that format'? That would be probably impossible (Resene).*

Non-consistent SE reporters predominantly cite coercive pressure through central and local government regulations, and to a lesser extent mimetic pressure, as lacking in New Zealand. However, a few participants still express the merits of voluntary SE reporting in contrast with literature that discounts voluntary schemes as reducing organisations' accountability (Moneva et al., 2006; Golob and Bartlett, 2007). These views confirm the merits of regulation as debated within the literature (Adams and Whelan, 2009; Adams and Evans, 2004).

The Fonterra participant suggests the reputation of New Zealand's business environment has delayed the demand for SE reporting.

*We've already had this image, we're trusting, we're a trusting business environment people do trust what the regulatory environment here [New Zealand] is (Fonterra).*

He further states, "that level of pull has not been there" alluding to global stakeholders, supply chain pressure, not demanding SE reporting because of New Zealand's 'clean green' image and trust in the business environment mentioning the 1991 Resource Management Act. Although the KPMG (2011) survey finds reputation is the strongest driver for SE reporting, in this instance New Zealand's reputation among international markets may have resulted in little coercive pressure from stakeholders demanding information about sustainability-related performance (Stubbs et al., 2013). The Fonterra participant's view highlights the focus on maintaining reputation or legitimacy (Deegan and Rankin, 1996), and this is enhanced through producing SE reports, enabling business survival (Buhr et al., 2014).

#### **6.4.1.3 Sustainable Business Intermediaries' - Perspectives on the New Zealand Business Environment**

SBI representatives' views also point to regulation on SE reporting as lacking in the New Zealand business environment.

The SBC representative, being newly appointed to her role, commented she would be able to answer this question in a year's time.

The SBN representative notes the effect of the changing regulatory environment in New Zealand on past SE reporting practices.

*Oh definitely government requirements for it, you know, like if they, when they, had their Govt3<sup>58</sup> thing doing an SD [sustainable development] report was really really critical (SBN).*

The PA representative articulated the issue of SE reporting as being multi-varied, needing evidence, strategy and willing players, arguing:

*I think that New Zealand is relatively insular in the way that it conducts its business. So part of the issue is really communicating that the rest of the world is well ahead of us on this stuff and we're actually laggards when it comes to things like sustainability and reporting and indeed environmental performance in general (PA).*

The SBN and PA representatives note the lack of regulation in New Zealand and the government's potential to coercively pressure SE reporting. This view highlights the understanding that mandatory SE reporting would help hold business entities accountable for their actions (Gray et al., 1996). However, other than government ministries and Ministers there is little indication from SBI representatives regarding 'who' would advocate this change? Previous findings and the mapping of the organisational field suggest there are field players with the potential to apply coercive pressure. However, the state of SE reporting in New Zealand would suggest that players, for example regulatory and stakeholders, have had little influence. This raises questions regarding whether the role of SBIs offers any potential to institutionalise the practice of SE reporting, explored in the following chapter.

#### **6.4.2 Section Summary**

Findings highlight that coercive pressure is lacking in the New Zealand business environment. Participants concur that government leadership is lacking and that they would support the regulation of SE reporting, through government legislation. Furthermore, and in contrast with the views of SBI representatives, SE reporters and non-consistent SE reporters identify stakeholder demand as lacking (Stubbs et al., 2013). These views reflect New Zealand's current political climate and the reliance of

---

<sup>58</sup> From 2003-2009 the Ministry for the Environment led and managed the Govt3 Program. This program focused on sustainability-related practices through practical change within government agencies (MfE, 2013).

some SBI members and certain stakeholders' on New Zealand's regulatory reputation. A few non-consistent SE reporters did express the merits of voluntary SE reporting, believing normative pressure is effective. However, normative pressure through the business case rationale explains the institutionalisation of SBI members' sustainability-related practices, not SE reporting. Furthering the discussion, participants are questioned about perceived barriers that impede the institutionalisation of SE reporting in New Zealand.

### **6.4.3 Barriers to Social and Environmental Reporting**

In light of the professed importance of SE reporting the views of non-consistent reporters and SBI representatives are explored in order to better understand perceived barriers to this practice. Furthermore, this enables a comparison of views and further analysis regarding which isomorphic pressure, if any, might institutionalise the practice of SE reporting in New Zealand. Although SE reporters identify similar barriers they are not the key focus of this section because of their current involvement in this practice.

#### **6.4.3.1 Non-Consistent SE Reporters Perspectives - Barriers to Social and Environmental Reporting**

Non-consistent SE reporters discuss a number of reasons why they do not consistently produce SE reports. These explanations include: a lack of resources, ownership structure, competitors' access to information and stakeholder pressure. Initially resource constraints are discussed.

*There is currently, in this market, no budget available (Beca).*

*...would have adversely affected the other operational parts of the business (Living Earth).*

*The resources to do that will, you know, take away from other work (Resene).*

The barriers to SE reporting correspond with findings from Collins et al. (2007; 2010). Non-consistent reporters commonly cite a lack of resources, financial and time, or opportunity cost as barriers. The cost of producing an external SE report is viewed as greater than the benefits received, which suggests the business case does not justify this practice (Brown and Fraser, 2006; Adams and Narayanan, 2007; Collins et al., 2010; Higgins et al., 2014). This does raise questions as to whether non-consistent SE reporters have already incurred costs through engaging in sustainability-related practices and gathering relevant data and whether a cost-benefit

analysis for producing a SE report has been undertaken. Not surprisingly, the resource argument for not producing external SE reports is further justified as being related to the current economic climate (Eweje, 2010; NZBCSD, 2011). The participants from Hubbards and Fonterra also raise compliance costs and the lack of data-capturing mechanisms as reasons for not publishing external SE reports (Dobbs and van Staden, 2012).

The participant from Living Earth states shareholder requirements and board decisions as directing financial resources. Similarly, participants from Hubbards, Beca and Resene cite size and private ownership as directing resources.

*A lot of it we don't do because we don't need to do it and that comes to size resource (Hubbards).*

The majority of the non-consistent SE reporters are SMEs and responses indicate their size results in fewer available resources to publish SE reports. Furthermore, private ownership means there are few or no requirements to disclose environmental information or publish SE reports. These findings correspond with Cormier et al. (2004) whereby costs and reporting obligations are key barriers to publishing SE reports. In contrast, the participant from 3R, a SME, does not offer ownership structure as a barrier to publish external SE reports. The participant from Resene further explains SE reporting is not a high focus of the General Manager, or his father before him, although she notes that within Resene there is the expertise to produce SE reports. Hence, management can resist institutional pressures to produce SE reports (Higgins et al., 2014) and at times management views conflict with other internal stakeholders. This position is also identified by the Beca participant.

The third barrier is contended as the ability of competitors' to gain access to information. One SE reporter, Inzide, acknowledged this as a barrier alongside several non-consistent SE reporters:

*People want a fair playing field they want to know it's across the board. So if you're my competitor we're both sharing the same cost (Living Earth).*

*Ideally we would not like our competitors to get hold of that information (Beca).*

This finding concurs with Cormier et al. (2004), disincentives or barriers to voluntarily producing SE reports include the ability of competitor's to gain access to

‘sensitive’ information. This is often framed as a reiteration of the pro-regulation argument from non-consistent SE reporters (Gray et al., 1996).

The final suggested barrier to SE reporting in New Zealand, relates to industry and stakeholder demand.

*That level of pull hasn't been there (Fonterra).*

*And we have not been compelled to do it [SE reporting] by any influencing force (Hubbards).*

The perception of non-consistent SE reporters is that external pressure influences SE reporting, concurring with Collins (2007; 2010; Adams, 2002). Using Fonterra as an example and in line with Hackston and Milne (1996), this demand often relates to high profile industries, including the agricultural sector in New Zealand. However, it is apparent that Fonterra is subject to global, not national, stakeholder pressure and may engage in SE reporting to maintain legitimacy (Stubbs et al., 2013). Although findings point to markets or stakeholder power as having potential for institutionalising SE reporting, coercive pressure has not yet been exercised in New Zealand, and the Hubbard’s participant exemplifies this proposition. Similar to Higgins et al. (2014) barriers for non-consistent SE reporters align with a defensive business case rationale (Buhr et al., 2014).

#### **6.4.3.2 SBI Perspective’ - Barriers to Social and Environmental Reporting**

The views of SBI representatives suggest the underlying barrier for business entities producing SE reports as being resource related, predominantly financial.

*So there’s a lot of businesses watching each other’s attempts and then they’re trying to find out is there money in this game. So where’s the money is the critical thing but it’s the lack of imagination not the lack of desire if you know what I mean (SBN).*

*I think the core issue is really about communicating value to organisations for embracing sustainability and sustainability reporting. So how do you do that because its larger and broader than simply about money so how do you communicate the value to people who are intrinsically motivated by money (PA).*

*I think a lot of companies are feeling like there's too many things they're clicking in to, in terms of like GRI, Dow Jones Sustainability Index, CDP. A lot of the businesses were saying, ‘we really want to streamline what are the top standards and then what we report on so that you don't have all of this text you just you get it down to the really key stuff’ (SBC).*

SBI representatives perceive business entities to be predominantly concerned with the financial implications of SE reporting. The business case, which is argued as

motivating SE reporting, is similarly presented as a barrier (Brown and Fraser, 2006; Adams and Narayanan, 2007; Collins et al., 2010; Higgins et al., 2014). The PA representative highlights this issue and further states that SMEs in New Zealand are not moving quickly towards “fundamental sustainability practice”. This view contradicts Collins et al.’s (2007; 2010) findings that SMEs are engaged in sustainability-related practices, although not SE reporting. The SBN representative discusses the financial motivation to produce SE reports, identifying mimetic pressure among business entities. In slight contrast, the SBC representative identifies a different resource related concern, that is, the number of frameworks makes SE reporting more difficult, concurring with the findings of Pennington and More (2010).

#### **6.4.4 Section Summary**

The key barrier to SE reporting is argued by non-consistent SE reporters and SBI representatives as the business case, because the cost is seen as outweighing the benefits (Buhr et al., 2014). Although these barriers align with findings in the literature (Collins et al., 2007; 2010; Stubbs et al., 2013; Higgins et al., 2014) this raises the question as to whether the business case is used as an excuse for resisting SE reporting, particularly as participants claim this practice is important. Findings further indicate there is little coercive pressure on SE reporting in the New Zealand business environment and this corresponds with prior evidence in the literature (Brown and Fraser, 2006; Collins et al., 2007; 2010). Specifically, larger entities yield to greater isomorphic pressures and tend to publish SE reports (Morhardt, 2010) in contrast with SMEs (Collins et al., 2007; 2010).

#### **6.5 Chapter Summary**

This chapter draws from rationales for SE reporting prior findings in the literature and isomorphic pressures to explain why SE reporting practices are not institutionalised among business entities in New Zealand.

The importance of sustainability-related practices, including SE reporting, aligns with the rationale of accountability through internal normative pressure or internal champions. However, arguably the proactive aspect of the business case rationale better explains engagement in sustainability-related practices for non-consistent SE reporters and reporting on the outcome of these practices for SE reporters.

There are a number of field players that influence the practice of SE reporting through weak isomorphic pressures (Bebbington et al., 2009) affecting the process and content of SE reporting, not the decision to start reporting. The specific pressures on SBI members' SE reporting practices are further explained through the various roles of, and interactions among, field players. Hence, the business case rationale explains engagement in, or resistance to SE reporting, proactive and reactive respectively (Buhr et al., 2014).

The New Zealand business environment lacks coercive pressure. There is little evidence of stakeholders demanding SE reporting or suggestion that the current New Zealand government will regulate SE reporting. However, SBIs and their members recognise the need for government legislation and would support the regulation of SE reporting. The lack of coercive pressure further corroborates business case arguments as the predominant barrier to SE reporting. These findings raise questions: if SBI members reject the rationales of accountability, and the business case and the lack of coercive pressure explains why SE reporting in New Zealand is not institutionalised, then which field player should take this (coercive) role (Stubbs et al., 2013)? This leads to Chapter Seven which addresses the second research question seeking to understand the role of New Zealand SBIs in institutionalising the practice of SE reporting.

## Chapter 7 – SBIs' Influence on Social and Environmental Reporting

### 7.1 Chapter Overview

The previous chapter highlights how field players influence, or have the potential to influence, sustainability-related practices through weak isomorphic pressures. These pressures are further explained through the rationales of the business case and/or accountability but have not resulted in institutionalised SE reporting in New Zealand. Instead the business case rationale explains resistance to SE reporting alongside a lack of coercive pressure on the part of stakeholders and the government in New Zealand.

New Zealand SBIs are well-established field players, focused on sustainability and sustainable development and having a leadership role in sustainability-related practices (see Milne et al., 2009). However, the role of SBI's has not resulted in the institutionalisation of SE reporting for their members or more widely to New Zealand business entities (Tregidga and Milne, 2006). Therefore this chapter draws from the lack of coercive pressure in New Zealand, seeking to understand how the role of SBIs influences, or has the potential to influence, SE reporting.

- What is the role of New Zealand Sustainable Business Intermediaries in institutionalising social and environmental reporting practices in New Zealand and to what effect?

In order to address the second research question Chapter Seven analyses and interprets interview findings using background literature and the lens of NIT. The first section analyses participant views about the purpose and role of SBIs and is followed by participant perceptions of membership benefits. The following section comprises an analysis of participant views specifically focusing on the influence, if any, of SBIs on SBI members' SE reporting practices.

### 7.2 Purpose and Role of SBIs

This section presents and analyses views of New Zealand SBI representatives and SBI members, regarding the purpose and role of SBIs in institutionalising SE reporting. These perceptions are compared and contrasted in order to better understand what

participants understand as the purpose of SBIs and how, if at all, the role of SBIs influences SBI members SE reporting.

### 7.2.1 SBI Representatives' Perspectives - Purpose and Role of SBIs

The views of SBIs' Chief Executives regarding the purpose and role of SBIs are as follows:

*Mainstream sustainability into the New Zealand business sector...What they're wanting to do is to have customers seeing New Zealand businesses as being excellent at sustainable practice (SBC).*

*We went from the why sustainability, what sustainability means and we looked at company's like B and Q in the UK and the lifecycle approach for their products and services that they sell. We used to do lots of that kind of stuff and tried to bring the information into New Zealand to try to help us move forward. Then it became developing tools like Get Sustainable Challenge and Greenfleet and Carbon for Good, and the various little clusters we used to run. And now we're operating in a very different financial space, a much more strategic space because money's tight. We're going back to what are these new opportunities, what are these new models (SBN).*

*Those Trustees that you'll be familiar with who stand behind the organisation, I guess were concerned that New Zealand's environmental and economic trajectory was generally trending downhill across a bunch of metrics. They [the Trustees] wanted to look at ways to reverse that trend and make New Zealand a wealthier country but at the same time ensure that the process of creating that wealth was more environmentally benign and/or has positive environmental effect. Identify problems and solve through engagement with business (PA).*

The above views align with claims made on the SBIs respective websites and contained within various reports<sup>59</sup>. SBI representatives, particularly from the SBC and SBN, consider their purpose to be facilitating SBI members' sustainability-related practices and mainstreaming this practice into the New Zealand business environment. For example, SBIs develop and facilitate their members' access to sustainability-related tools, networking through regular meetings, involvement in partnerships/projects and collective contribution to policy. These examples illustrate how the role of SBIs facilitates mimetic pressure through interactions between and among members (Cormier et al., 2004) and around issues (Hoffman, 1999).

SBIs present themselves as legitimate authorities in the organisational field and their collective membership supports this position (Scott, 2004b). In line with DiMaggio and Powell, (1983) and Scott's (2009) propositions, this would suggest normative pressure is evident through professional membership, and aligning with Greenwood et

---

<sup>59</sup> For example, see the following websites: SBC, SBN, PA and associated annual reviews.

al. (2002), is important for legitimating change through the diffusion of practices. Furthermore, as Greenwood et al. (2002) suggest, SBI members' normative acceptance of SBIs could extend the role of SBIs to apply coercive pressure on SE reporting practices.

The SBN representative discusses the change in focus from product lifecycle and developing tools and that the SBN is now, because of financial constraints, more strategically focused. Similarly, the SBC, having evolved from the NZBCSD, is under the umbrella of BusinessNZ and is interested in mainstreaming sustainability into New Zealand business. Although PA is newly established they have an economic focus working with business leaders pursuing 'green' growth. Hence, the purpose and role of SBIs is emphasised as sustainability-related but reinforces the economic objectives of their members (Tregidga et al., 2013).

## **7.2.2 SBI Members' Perspectives - Purpose and Role of SBIs**

### **7.2.2.1 The Sustainable Business Council – Purpose and Role**

SBI members perceive the purpose and role of the SBC as making a difference through promoting the topic of sustainability achieved through its network structure and at a governmental level. For example, the Watercare participant suggests the role of the SBC includes discussing sustainability at a high level, similar to the Fonterra participant's view of the SBC, having a political focus. Consequently, as the participant from Inzide understands, the SBC role includes influencing government policy, local and central. Similarly, two previous members of the SBC, participants from Hubbards and Resene, as well as the Waikato Management School participant (a current member) perceive the SBC to be a lobby group of corporates, with political power.

*... [SBC membership] certainly get you in the room with some very powerful people (Resene).*

*[SBC] bring the voice of environment and business to influence government (Living Earth).*

*[SBC] were positioning themselves in that advocacy role pretty loudly for a while and I think there is a will to reform business (Waikato Management School).*

The above quotes highlight the SBC's purpose as being sustainability pitched towards a political audience but raises a question regarding why the SBC does not lobby for regulated SE reporting. Are the SBC and their members offering a facade of interest

in this practice? The political access of the SBC highlights their potential to influence government policy, particularly through the combined economic power of its members<sup>60</sup> (Milne et al., 2009). Although the changing political landscape in New Zealand may have reduced the political traction of the SBC it would appear that lobbying for regulated SE reporting is not part of the SBC's current or NZBCSD's historical agenda (see NZBCSD Annual Reviews, 2002-2011). In line with Hardy and Maguire (2008), the SBC occupies a powerful position in the field and is able to exercise power on, and among field players. However, this power has not translated to lobbying for, or enforcing, SE reporting. Hence, this raises questions as to whether the SBC is not interested in exercising coercive pressure on members' SE reporting or is unlikely to succeed in institutionalising this practice and instead is concerned with maintaining legitimacy through membership numbers.

Belonging to the SBC would suggest there is normative pressure on the diffusion of practices (Swan and Newell, 1995), SBI members' SE reporting. However, normative pressure has not resulted in institutionalised SE reporting. Instead membership offers legitimacy for the collective of members through the SBC, a legitimate authority (Scott, 2004b). Aligning with Greenwood et al. (2002), the SBC has potential to coercively extend this normative pressure, an important role for legitimising change (Greenwood et al., 2002). Concurring with Cormier et al. (2002), the networked structure of the SBC facilitates mimetic pressure on members' sustainability-related practices through SBI members' involvement in initiatives and partnerships. Members discuss having the ability to exchange, support and educate best business practice, or exemplar sustainable business practice, concurring with findings in the previous chapter.

Essentially, the SBC exercises normative and mimetic pressures legitimising themselves and their members through their powerful field position. This would suggest legitimacy is their key focus, not enforcing coercive pressure on members to produce SE reports.

---

<sup>60</sup> Following the NZBCSD merger with SBF in 2012 the SBC membership numbers are increasing (SBC, 2013a). The NZBCSD membership fell from 75-55 between the years 2008–2010 correlating with a documented decline in contributed GDP of its members (NZBCSD, n.d.). The decline in membership appeared to be the direct result of a media release by Peter Neilson, the Chief executive of the NZBCSD, supporting the emissions trading scheme in New Zealand (Wright, 2011).

### 7.2.2.2 *The Sustainable Business Network – Purpose and Role*

SBI members perceive the SBN purpose and role as focusing on sustainability-related practices facilitated through the network structure. The SBN is understood as being a smaller organisation, a professional network, and according to two participants, Sanford, a non-member, and Inzide, a member of the SBN, not pitched politically. Participants from Watercare, Hubbards, 3R, Resene and Fonterra, the latter a non-member, suggest the membership base is predominantly SMEs. However, the participant from 3R, a member of the SBN and SBC, qualifies this, noting that membership also includes large businesses and as such enables SMEs to gain greater value.

*SBN is more like a coffee group of the environmental masses and you know the council [SBC] is almost like a partly political party (Resene).*

*Offering an entry level to being more green or sustainable. Kick starting a company to thinking (Inzide Commercial).*

*Facilitates people doing really good stuff. A hub bringing likeminded people together to do better (Hubbards).*

Participants view the SBN as being more accessible, than the SBC, for business entities with an interest in sustainability-related practices. Responses highlight that professional membership to the SBN facilitates normative pressure on sustainability-related practices (Scott, 2004b; 2009), which arguably could be coercively extended (Greenwood et al., 2002). That mimetic pressure is facilitated through the networked structure of the SBN through organised events such as seminars, workshops and awards, is evident with SBN members' learning from each other and the institutionalisation of sustainability-related practices (Cormier et al., 2002).

In comparison with the SBC, the SBN has a greater membership base numbering 421 in 2013. However, the SBN does not boast GDP contribution and membership fees are comparatively inexpensive (SBN, 2013a). Hence, the SBN is not perceived as being politically motivated and not as powerful within the organisational field. Instead, the SBN representative argues they are resource constrained and focus on action towards sustainability-related practice not reporting on the outcome of these actions (Stubbs et al., 2013). SBN members' sustainability-related practices are not

coercively pressured and it would seem unlikely that the SBN will exercise coercive pressure on members' external SE reporting practices.

Membership with the SBN offers legitimacy through normative and mimetic pressures resulting in members' involvement in sustainability-related practices. However, this does raise questions regarding their stated focus on promoting transparency, accountability and external accreditation for their members' sustainability-related practices. Essentially, the business case rationale and field position of the SBN offers an explanation as to why the SBN is unlikely to take a coercive role towards SE reporting.

### **7.2.2.3 Pure Advantage – Purpose and Role**

SBI members view the purpose of PA as facilitating environmental positioning of the economy, filling a political space and conducting research. The Watercare participant notes the role of PA includes sustainability planning.

*[PA] Would like to create a path for a green economy in New Zealand (Watercare).*

*A voice to government (Waikato Management School).*

*Two roles, one was to do some really good quality research and second to try to make political change happen (3R).*

*I think they've done a great job of putting in a business way really a case for sustainability planning and the huge potential of New Zealand (Watercare).*

The Waikato Management School participant suggests that PA are stating with force the pitfalls of the current direction of New Zealand business, citing environmental positioning that is not substantiated by practice. This participant accepts that PA is driven by the business case but is unconcerned by this. In contrast, the participant from Beca (affiliated with PA) comments that the political focus of PA is a disincentive to business entities. Whereas, the Fonterra participant suggests PA is not filling a "political space" proposing that PA are "doers", facilitators and are leadership-focused within sectors offering project-related examples. However, several participants: Sanford, Inzide, Living Earth, Hubbards, The Warehouse, and Resene<sup>61</sup> are generally unaware of the existence of PA and could not articulate its role or purpose.

---

<sup>61</sup> This finding is surprising because Resene display a case study on the website of PA and Stephen Tindall, the founder of The Warehouse, is a Trustee of PA.

The stated purpose of PA is to effect economic change through environmental positioning of the New Zealand economy. To do so, PA is pitched towards a political audience highlighting some potential to coercively pressure sustainability-related practices through political channels or policy input. The networked structure also highlights some potential for facilitating mimetic pressure among affiliated entities. It appears that PA is positioned on the edge of the organisational field, a policy advocate targeting 'green' economic growth 'issue based' as per Hoffman (1999). This author suggests that institutionalisation of practice occurs around issues for example, sustainability, and not necessarily players.

PA could have an indirect influence on sustainability-related practices through policy input. However, SBI members' lack of awareness of PA and its activities in this area indicate that PA exercises little isomorphic pressures on sustainability-related practices, let alone SE reporting.

### **7.2.3 Section Summary**

The views of SBI representatives and their members concur; the purpose of the SBC and the SBN is sustainability-related, facilitated through a network, highlighting normative and mimetic influences. In contrast, PA is economic-focused with little evidence of isomorphic pressures on sustainability-related practices. A key difference among the SBIs is their position in the organisational field. The SBC has power through political input, facilitated through their high-profile membership base, with potential to coercively pressure the SE reporting practices of SBC members. PA also has a political audience but is unlikely to focus this on sustainability-related practice or SE reporting and the SBN is not explicitly politically focused. Essentially, SBIs appear to be motivated by the business case rationale, maintaining legitimacy and resisting SE reporting through resource constraint arguments. This leads to the following discussion about why business entities join SBIs.

### **7.3 Benefits of Membership to SBIs**

This section explores SBI representatives and SBI members' perceptions regarding the benefits of belonging to SBIs. These views are compared and contrasted in order to better understand what participants understand as the benefits of belonging to SBIs

and how, if at all, these benefits influence SBI members' sustainability-related practices, including SE reporting.

### 7.3.1 SBI Representatives' Perspectives - Benefits of Membership

Each of the SBI representatives discusses the benefits for members of having access to a variety of resources facilitated through the networked structure.

*...international connections...our link to the WBCSD is really critical for that. Our project work it's business to business...so we also broker it into the broader business (SBC).*

*We have conferences which is a really big sharing of information and then we start launching projects...[for example], the community footprinting tool (SBN).*

*They [business leaders] are able to kind of access some of the information that we have prepared in terms of reports and research (PA).*

The SBC representative highlights access to government or having policy input.

*Being part of the BusinessNZ family, you know, this is the voice of business into government I think they [SBC members] see the potential to influence more in that space (SBC).*

The PA representative, similar to the SBC, suggests PA offers value through engagement with organisations such as BusinessNZ and large corporates.

*They support what it is that we're trying to do ... offering them value. Provided an example of some leadership in the business community. We are engaging specifically with a group of large corporates in New Zealand to try and get some specific action on these green growth issues (PA).*

The representative from the SBN, in contrast with the SBC and PA, has an individualised focus.

*We have an annual what we call an activate meeting with all of our members. So that's a one on one to try and find out where they're at now and how we can help and then we do lots of forums around different topics and areas (SBN).*

The SBC representative suggests one benefit of membership is reputation related.

*Some of it is brand and profile (SBC).*

SBIs offer a number of similar membership benefits: access to other networks, projects and research, including reports, policy input, leadership, individualised programs and reputation facilitated through their networked structures. More specifically, the SBN benefits are viewed as being focused on individual member's sustainability-related practices. In contrast, the SBC and PA audience is more

political, includes business leaders, and highlights the potential for indirectly furthering coercive pressure on members' SE reporting.

Concurring with Bebbington et al. (2009), membership to a legitimate authority, SBIs, is an example of normative pressure offering legitimacy for the network of members. Furthermore, there is evidence of mimetic pressure between and among SBI members with the institutionalisation of their sustainability-related practices. Although members may join for reputation reasons, the SBI representatives did not connect benefits of membership as directing coercive pressure on SBI members' external SE reporting practices.

Normative and mimetic pressures are further facilitated through SBIs and members' interactions with a range of field players (Scott, 1995). For example, the SBC representative acknowledged business-to-business connections and a relationship with the WBCSD. Similarly, the PA representative identified interactions with large New Zealand corporates and BusinessNZ. These interrelationships do not appear to have broadened normative pressure or generated mimetic behaviour through SE reporting leadership as posed by Bebbington et al. (2009). Instead the effect of isomorphic pressures has influenced the sustainability-related practices of SBI members, but not resulted in the institutionalisation of external SE reporting. SBI member' perspectives are considered next.

### **7.3.2 SBI Members' Perspectives - Benefits of Membership**

#### **7.3.2.1 The Sustainable Business Council - Membership Benefits**

SBI members discuss SBC membership benefits as sharing information and influencing policy which is enabled through the network structure.

*[Membership] gets you in a room with similar people in similar roles and with similar values and similar thoughts, but with different experience and expertise and levels of understanding... so I think that alone is huge being able to share intel in terms of sustainability (Beca).*

*You get to talk at a different level. So you're not just talking about the company and the products, you're actually talking to them about things that matter and through that you get known and through that you get specified as well. It also shows commitment to New Zealand and it also shows commitment to 100 percent pure green New Zealand (Inzide).*

SBC membership benefits include having an influence on policy described by the participant from Fonterra as "focusing on future solutions". As discussed above the

SBC is viewed as quite political with access to government and bolstered through their umbrella organisation, BusinessNZ.

The Living Earth participant also discusses reputation as a benefit of membership.

*Subliminally it [SBC membership] positions the company as a responsible company and we would like to think that that would reflect in the choices that other businesses make about us and working with us (Living Earth).*

In general, benefits noted by SBI members include: access to human and practical resources, such as having partnership relationships, a student focus through internships, collaborative research through academic partnerships<sup>62</sup> leading technical projects and providing value with a collective approach. SBC members interact and share information through the network structure of the SBC, facilitating normative and mimetic pressure on SBC members' sustainability-related practices (Bebbington et al., 2009). Reputation through membership is professed as being enhanced but unlike the proposition put forward by Bebbington et al. (2008) improved reputation appears to be linked to membership, i.e. legitimacy (Scott, 2004b). SBI members did not mention SE reporting as a membership benefit.

The findings do highlight significant potential of the SBC to coercively pressure their members' SE reporting practices. This includes the potential to influence policy, although this appears to have waned under the current political regime (DiMaggio and Powell, 1983; Scott, 2009; Dillard et al., 2004), as well as enforcing the membership criterion of producing SE reports. The question remains whether SE reporting practice is not enforced in order to maintain membership an economic focus (Milne et al., 2009) - business survival – further cemented or conflicted through their relationship with BusinessNZ?

### **7.3.2.2 The Sustainable Business Network - Membership Benefits**

Benefits of SBN membership are predominantly viewed by SBI members as facilitating action towards sustainability-related practices through the network structure.

*Our main focus was to be connected to an organisation that kind of had all this information flow coming in about you know sustainability, tips and tricks learning*

---

<sup>62</sup> This benefit particularly relates to the Waikato Management School membership of the SBC and the SBN.

*from other members, you know all of that kind of rich information coming in that we could then I guess you know learn from. So learn from what others are doing but learn from things that they see overseas so it's almost a collation service of information and then the ability to go to them and get help if we were stuck (Resene).*

*I think they [SBN] are very good at giving a resource to people to like a massive library of resource, green events (Inzide).*

*They have the whole membership base of small and medium enterprises and they are excellent at organising events that rewards the members that have done extremely well in sustainability (Watercare).*

The participant from Fonterra, not a member of the SBN, notes leadership through a collective as a benefit.

*A collaborative SBN type approach allows a collective voice and the SBN having a bit more weight than the one SME that might be sitting in there. They might be able to have a much more constant a voice, a little more noise (Fonterra).*

The Hubbards participant, a SBN member and prior longstanding member of the SBC, contrasts the benefits of belonging to the SBN with membership of the SBC.

*[In contrast with the SBC], it [SBN] provides a wider range of tools and resources, opportunities (Hubbards).*

Participants view benefits as offering practical resources that encompass opportunities and challenges. Examples given by SBN members include: “getting known” (3R), “involvement in events” (Inzide), and “winning awards” (Watercare). Although The Warehouse does not belong to the SBN this participant suggests membership benefits are information and topic-focused. An extension to these benefits, discussed by the participant from Watercare, a SBN member, is the ability to ask questions and gain feedback. Participants concur that the SBN provides a range of tools and resources to inform practical action for business to get on the sustainable path. The Resene participant, a SBN member, uses greening their car fleet as an example. The business case rationale explains member benefits that through sharing resources and engaging in sustainability-related practices costs are reduced.

Responses indicate that being connected through a network is the predominant benefit for membership of the SBN. The findings highlight how the network structure facilitates normative and mimetic pressure (Bebbington et al., 2009) on SBN members' sustainability-related practices. However, it would seem that resource constraints for the SBN and the majority of the SBN members, have directed their

focus towards ‘action not words’ (Stubbs et al., 2013). Hence, the SBN does not exercise coercive pressure on members’ SE reporting practices.

### **7.3.2.3 Pure Advantage - Affiliation Benefits**

SBI members express benefits offered by PA, a network established through the Trustees, as resources being directed towards research in order to write reports and focus on projects. Two views are proffered regarding PA’s political focus.

*[PA]...published that first report to kind of explain what they, where they think we are compared to other countries etc. What we could do with the potential of New Zealand and their next step is to detail that more and I think they’ve done a great job I’m not sure whether it’s been used as much as it could have been up there again in central government but I think they’ve done a great job of putting in a business way really, a case for sustainability planning (Watercare).*

*We’re starting that with the water sort of things. We had a significant presence on the energy and eco efficiency programs here in New Zealand. We are the biggest eco efficiency program in New Zealand so we should take a really strong position in that regard so I think PA has a role to play in facilitating like-minded organisations that go down certain paths (Fonterra).*

The benefits of affiliation with PA include access to published reports and improving stakeholder awareness through research. However, the main focus of PA is contributing to macro-economic policy in New Zealand through a political audience. This focus suggests PA could exercise indirect coercive pressure through policy input on SBI members and the wider business community (DiMaggio and Powell, 1983; Scott, 2009; Dillard et al., 2004). PA also has the potential to offer benefits through its network structure. Hence, mimetic pressure is evident through SBI members working collaboratively on projects such as energy and eco-efficiency programs. Although the benefits PA offer could facilitate coercive pressure on SBI members this is not their focus.

### **7.3.3 Section Summary**

SBI representatives and SBI members’ views on the SBC and the SBN correspond; sustainability-related practice is identified as these SBIs’ predominant purpose. Furthermore, sustainability-related practices are pressured both normatively and mimetically and facilitated through SBIs’ networked structures.

Participant views highlight the powerful position held by the SBC within the organisational field offering them political legitimacy. The SBC membership criterion

offers significant potential to institutionalise their members' external SE reporting practices which they partially achieved in the early 2000s (Milne et al., 2003). Hence, coercive pressure through enforcing the membership criterion and indirectly through policy input requiring regulated SE reporting has potential to institutionalise SE reporting in New Zealand.

The SBN facilitates individual members' action towards practical change but is unlikely to apply coercive pressures on their members' SE reporting practices. The explanation appears to lie in the business case rationale, the SBN and the majority of SBN members are resource constrained and not coercively pressured to provide accounts of the outcome of these actions (Stubbs et al., 2013). PA is not perceived as focusing on sustainability-related practices or SE reporting. However, PA's position on the edge of the field and relationships with political players and high-profile business entities suggests they are business case focused and influence the social political context. If enacted, PA has some potential to indirectly exercise coercive pressure through policy input.

#### **7.4 SBIs' Influences on Social and Environmental Reporting**

New Zealand SBIs are recognised as well-established field players that have facilitated the institutionalisation of their members' sustainability-related practices (Collins et al., 2007; 2010). However, the importance of, and range of influences on, SE reporting, articulated by participants in the previous chapter is not reflected in the institutionalisation of this practice in New Zealand. Hence this section explores the potential of SBIs to influence their members' external SE reporting practices. The insights of Chief Executives from the SBIs are presented first, followed by SBI members' perspectives, in order to compare and contrast viewpoints.

##### **7.4.1 SBIs' Perspectives - Influence on Social and Environmental Reporting**

The earlier analysis suggests that SBIs are not focused on the SE reporting of their members but there is potential for the role of SBIs to institutionalise this practice. However, the views of SBI representatives, from the SBC and SBN, suggest they do influence their members' external SE reporting. This influence predominantly relates to the decision to report, but includes the process of reporting and the content of SE reports. Furthermore, the PA representative believes the role of the SBC and SBN encompasses sustainability-related practices including a focus on external SE

reporting and there is no point in PA replicating this. Hence, PA features very little in the following discussion.

*It's not necessarily one of the core goals of PA to push that [SE reporting] particular issue (PA).*

The representative from the SBN discusses her perception of the SBN's influence on SE reporting.

*Some of it [membership] would support [SE reporting] so they join so they can do that definitely they want to communicate ...start develop or improve [SE reporting]. So they've [members] been doing it and they want to do it better. One of the things I'm really interested in is, with even things like reporting, what's working well and what's not and what's the next wave of reporting that we're starting to see? And the next wave of reporting is no longer those printed out forms it's now much more relevant and timely and online and accessible and so it's changing (SBN).*

Representatives from the SBN and SBC discuss the membership criterion of the SBC as having had a significant influence on SE reporting. The SBN representative's response is positive but raises questions why SE reporting is not a requirement for their members.

*When the Business Council [NZBCSD] had its mandate that all members must report within two years that drove it really quickly, that was really good (SBN).*

*I think it has [NZBCSD, now SBC, influenced SER]. So there's some guidance that got done very early on and I know that a lot of businesses used it as its basis for what it did. I was in government at the time and we used it there as well initially when I was at the Ministry for the Environment we used some of their guidance to do an initial report. So yes, I think it [SBC] has been influential....so the short answer is yes but you know reporting is not the be all and end all (SBC).*

The newly appointed Executive Director from the SBC acknowledges this membership criterion was not enforced in the past and indicated she would be enforcing this going forward, stating:

*I walked into the job and talked to my board. I don't see how you can credibly ask someone say that you, as part of your membership you, need to do something and then have no idea whether people are doing it... I don't want this organisation [SBC] to be seen as greenwash (SBC).*

Representatives from the SBC and SBN believe they influence the decision to produce SE reports explained through isomorphic pressures. There is evidence of normative pressure through membership to a legitimate authority and mimetic pressure on and among field players through interactions and relationships. Although coercive pressure is evident on the decision to produce SE reports through the SBC

membership criterion, this is currently weak because it is not enforced. However, if coercive pressure is applied, there is potential for mimetic pressure through interactions within, and external to, the field to further diffuse SE reporting. For example, the SBC's umbrella organisation BusinessNZ offers further opportunities to extend their influence mainstreaming SE reporting, if chosen.

The SBC representative discusses the importance of credibility for the SBC suggesting there is normative pressure on members' SE reporting practices. Going forward, the SBC representative indicates the SBC will apply coercive pressure on members' SE reporting practices. Following the SBC's documented membership decline one might question whether a renewed focus on enforced SE reporting is an effort to regain legitimacy for the SBC? This highlights conflicting tension between enforcing SE reporting and maintaining, or increasing, membership – business survival (Buhr et al., 2014) or legitimacy. However, it is unclear whether this intended 'coerced' action is aimed at institutionalising SE reporting or whether coercive pressure will result in genuine SE reporting or decoupling (Milne et al., 2009; Kostova and Roth, 2002).

The responses from SBI representatives led to specifically asking SBIs about their own SE reporting practices. Both the SBC<sup>63</sup> and SBN<sup>64</sup> have produced Annual Reviews in the past and indicated an intention to produce SE reports going forward. The representative from the SBC refers to a conversation she had with the Chief Executive of BusinessNZ claiming they will be producing a SE report in the future:

*'You needn't think that I'm going to require this of all of our members and I'm going to be based in an office where BusinessNZ doesn't have a sustainability strategy or a policy and we're not doing anything' (SBC).*

The SBN representative claims political change in New Zealand reduced their financial ability to produce SE reports, but:

---

<sup>63</sup> Prior to the establishment of the SBC, the NZBCSD produced Annual Reviews (NZBCSD, 2002-2011). The content included financial disclosures in 2004 and 2005 only. In 2005, the SE disclosures were the most comprehensive and included GHG emissions data. Overall, the focus of the Annual Reviews appears to be policy input (Milne et al., 2006).

<sup>64</sup> The SBN produced Annual Reviews in 2006 and 2008. These Annual Reviews focused on awards and case studies. However, in 2006 the interest of the Labour Government in sustainability is evident within the review but by 2008 with the election of the National Government it is not.

*I'm hoping we will be able to do something like a business review for this year but what we need to do is to try and find a way those things are produced without a massive amount of cost (SBN).*

Both the SBC and SBN representatives signal some intent to produce a SE report. Engagement in this practice would illustrate leadership and credibility for the SBIs further highlighting potential normative and mimetic pressure on their members. The SBIs' stated intention to produce a SE report signals normative pressure and could maintain or further enhance legitimacy for these SBIs (Milne et al., 2009).

The response from the SBN representative reflects resource-related barriers as an explanation for resisting engagement in consistent SE reporting. This replicates the views of SBI members' presented in the previous chapter; the value of producing SE reports is viewed as being outweighed by the cost (Stubbs et al., 2013). This also highlights tension between directing resources towards SE reporting or focusing on practical action towards sustainability. The SBC representative may also justify resistance to this practice through the business case rationale. However, through her role, the SBC representative is exercising internal normative pressure, promoting change through intended and coerced SE reporting, on the SBC and its members (Dillard et al., 2004; Hardy and Maguire, 2008).

Following members' decisions to produce a SE report the SBN representative highlights how the SBN facilitates this process.

*Some of our members have to do this reporting. They have to do it as part of their company work. It's not always published but they have to do some reporting and they like sharing how they do it with each other. So they, the fact that we bring people together helps that and we also sometimes have specific topics on how to do it well, more efficiently (SBN).*

Similarly, the SBC representative acknowledges their role facilitates SE reporting practices but is not a key focus for SBC members.

*I don't think [SE] reporting's the real driver. For some [members] that's part of it. It's more they want to work with a group of like-minded businesses to extend what they're doing and they're [members] connected into the thinking that's going on (SBC).*

The above quotes highlight isomorphic pressures for SBI members to produce SE reports. Belonging to a legitimate authority offers normative pressures and SE reporting practices are furthered through mimetic pressure; field players, specifically members' share their experiences of the SE reporting process (Greenwood et al., 2002).

Drawing from Chapter Five, The Organisational Field offers further insights into connections among players within the organisational field and how the role of SBIs has potential to influence SE reporting. The SBC representative discusses having international connections with the WBCSD and the SBC promotes the GRI through their membership network. These relationships are examples of normative pressure with the potential to be coercively applied (Greenwood et al., 2002). In contrast, the SBN does not appear to have the same level of field connections.

The SBN representative is cynical of the 'tick the box' mentality of specific reporting frameworks that influence the development and content of some business entities' SE reports. Similarly, and as noted previously by SBI members, the SBC representative acknowledges the number of frameworks complicates SE reporting for business entities. However, the SBC representative holds a strong belief, through the SBC's connection with the WBCSD, that Integrated Reporting will be a key influence on SE reporting going forward.

*I think there's about to be another real shift in reporting. So when I was at the WBCSD meeting they were talking a lot about Integrated Reporting and the shift to that (SBC).*

The question arises, what is the likelihood of the SBC enforcing Integrating Reporting when they have failed to enforce SE reporting? Furthermore, if the government regulates Integrated Reporting for listed companies, is the predominance of SME's in New Zealand likely to reduce the impact Integrated Reporting could have? Similar to the view of the SBC representative, the SBN representative does not believe that Integrated Reporting will be coercively pressured through the government.

The SBC representative also discusses relationships with national players in the organisational field that offer normative pressure and have potential to facilitate mimetic pressure. For example, the SBC, through their relationship with Landcare Research, is given updated information regarding which members' regularly report

against the GRI. Three SE reporting members, Sanford, The Warehouse and Watercare, all members of the SBC, apply the GRI G3 with their reports displayed on the SBC website. Beca, also a member of the SBC, is the only non-consistent SE reporter acknowledging that the GRI has any influence on their SE reports. The above SE reporters' application of the GRI illustrates how normative pressure is enabled by the SBC, through the GRI. Mimetic pressure is also facilitated through the SBC displaying SE reports. Evidence of these pressures aligns with the findings of Goswami and Lodhia (2012).

A number of other national players are identified as partnering with the SBC, or having the potential to do so. The potential of these partnerships illustrate how field players, particularly SBIs, could collaboratively direct coercive pressure on their members, offering greater potential to institutionalise SE reporting.

*In the last six months we've formed partnerships with Waikato and Massey Universities, eco business, DOC<sup>65</sup>, the natural resources cluster within government and eco business and we're also talking a lot to Simon Harvey who runs the Natural Step training and looking at whether we might partner with him to deliver some of that training in to the Employers and Manufacturing Association (EMA) network (SBC).*

*I met Rachel Brown [CEO of SBN], now that SBNs got their new strategy sorted looking at where are the projects of interest where we think there's potential to align and how might we do that. Same with Pure Advantage, Duncan Stewart and I are catching up in April when they've got their next phase sorted so we definitely look at how we align with other players out there. It doesn't make sense not to (SBC).*

The PA representative discussion highlights interaction among New Zealand businesses and mimetic pressures within the network but this is focused on leadership and strategy, not SE reporting.

*They [business leaders] support what it is that we're trying to do. We're working with a corporate leader in each of those seven areas to develop some strategy over the next six months and then we will collect the resources and work with those organisations and help enact that strategy. So we're looking for activities that will make meaningful change in New Zealand economy and environmental performance (PA).*

When asked about the influence of national players carboNZero and Envirostate, the SBN representative's response, similar to non-consistent SE reporters, did not acknowledge these programs or organisations as having any influence on the external SE reporting practices of their members. Although the SBN representative did discuss

---

<sup>65</sup> The Department of Conservation (DOC) is a New Zealand state sector organisation tasked with conserving New Zealand's natural and historic heritage (DOC, 2013).

the influence of SE reporting awards as follows, she also expressed cynicism about the assurance process.

*I'm a judge on the ACCA awards and I see a lot of those [SE] reports. A lot of them are not strategic. You look at them and they're just filling out their GRI requirements and it's interesting, and they've gone through it, and they say they haven't reported on this this and this and this is why and it's been assured so it's right (SBN).*

Weak isomorphic pressures are facilitated by SBIs and have resulted in the decision of some SBI members to produce SE reports further pressured through the SBC's membership criterion (Bebbington et al., 2009). Additional analysis reveals SBIs facilitate normative and mimetic pressures on the process and content of SE reports (Adams and McNicholas, 2007). This influence is furthered through the SBC partnering with field players and promoting adherence to SE reporting guidelines. The rationale behind isomorphic pressures, facilitated by SBIs, are further explained through the business case which also exposes tension between membership, business survival for SBIs, and expectations of SE reporting. Similarly, the stated intention of SBIs to produce SE reports is driven by the business case – legitimating their field position (Buhr et al., 2014). The rationale of accountability for SE reporting practices is not evident with legitimacy for SBIs and their members being driven by membership, not SE reporting.

#### **7.4.2 SBI Members' Perspectives – SBIs' Influence on Social and Environmental Reporting**

The initial decision to publish SE reports, for the majority of SBI members, is linked to internal normative pressure, most significantly the influence of an internal champion, as discussed in the previous chapter. Associated with this is external normative and mimetic pressure through founding memberships of the NZBCSD, longstanding memberships with SBIs and current membership of the SBC. Weak coercive pressure is also evident with the SBC membership criterion of publishing a SE report. The four SBI members fitting these criteria include: The Warehouse, Sanford, Watercare and Inzide having produced SE reports for over a decade.

Similarly, some non-consistent SE reporters, holding more recent membership of the SBC, Beca and 3R, suggest the SBC has an influence on their decision to produce SE reports. Furthermore, it appears from the Beca representative's comments that the membership requirement is enforced to some degree, but not common among all

members. To date Beca's SE reports have not been made publicly available and 3R are yet to produce any internal or external SE reports.

*We're a member of the SBC which means that we have to produce the report and share it with them which we do and they encourage us every year to share it with the public and every year we say "thanks, but no thanks" (Beca).*

The majority of participants are unaware there is to be a tightening up of the SBC membership criterion, as discussed earlier through coercive pressure, which would require SE reports in the near future. SBI members that currently consistently produce SE reports are generally unaware of the ensuing changes and regardless this change would not affect their current practice.

The 3R participant, a member of the SBC and SBN, and a non-consistent SE reporter, with significant involvement in the SBC and WBCSD, is aware of the change in membership requirements and claim they will produce an external SE report in 2013<sup>66</sup>.

*Because it's a requirement for being a member we're stiffening that up as a Council and so we've certainly measured a lot of things and can report on them and we're just finalising something now which will go to SBC which will then be published (3R).*

The intended SE reporting enforcement by the SBC raises questions regarding whether SBI members that have previously been exposed to 'weak' isomorphic pressures will now publish external SE reports. Hence, participants were asked how this intended change would affect their SE reporting practices and they expressed a variety of views. Two non-consistent SE reporters, Beca and Living Earth, suggest they are unlikely to leave the SBC due to the change in membership criterion. The Beca participant suggests they would probably publish their internal SE reports externally. The Living Earth participant, a founding member of the NZBCSD, current member of the SBC and a non-consistent SE reporter, echoes a similar response.

*I have no doubt that we will be doing them in the future and wanting to do them and in the right time (Living Earth).*

---

<sup>66</sup> However, in May 2014 the date this research was completed, the researcher was unable to locate 3R's SE report.

A further non-consistent SE reporter and member of the SBC, the Fonterra participant, claims they are planning to report in 2013<sup>67</sup> but the influence is from international stakeholder pull, not from the SBC.

The Hubbards participant, a non-consistent SE reporter, acknowledges the decision to produce two previous external SE reports (in 2002 and 2007) was definitively linked to membership of an SBI (the NZBCSD) but the following comments suggest this requirement was not enforced:

*Hubbard's was actually being put forward as one of the companies breaking the rules by not actually producing a sustainability report. I think the guidelines are every year or every second year I doubt that it was a guideline it was suggested that you produce one every year or second year (Hubbards).*

However, the indicated change in membership criterion would have resulted in Hubbards engaging in SE reporting if still holding membership with the SBC.

*If we were still a member [of the SBC] and we were told, "you really need to do this", we would have done it (Hubbards).*

The above discussion led to a further exploration of how the following non-consistent SE reporters perceive SBIs' influence the process and content of SE reports. The 3R participant discusses concerns raised within the SBC whereby SE reporting needs to be benchmarked for robustness, illustrative of normative pressure through membership and recognising the need for coercive pressure. The Beca participant identifies the influence of the GRI enabled through the SBC:

*In the last few years it has been GRI because we recognise that it is probably the most renowned sustainability reporting standard that there is and I would say that was probably the driver of our content more. But again that decision was made internally it wasn't driven by anyone specifically that I know of. I mean the SBC probably had a hand to play in that because I know that they hold that particular measure in high regard (Beca).*

Although the above statement from the Beca participant reflects a combination of isomorphic pressures, these have not led to engagement in external SE reporting which suggests these pressures are 'weak'. Participants from two SMEs, 3R and Hubbards, highlight the 'idea' of being leaders through producing SE reports with the potential to influence others. However, these participants do not currently produce external SE reports.

---

<sup>67</sup> However, in May 2014 the date this research was completed, the researcher was unable to locate Fonterra's SE report.

*It's about giving an example, if you like, it's possible for a SME, if they want to, to actually do this stuff... you've just got to have enough conviction to want to, you can not only make, do the practice but you can also speak about it. Let it be known publicly, so if we do something, and we example that, hopefully others might follow (3R).*

*I believe that if we really felt we could influence others through the report then we would (Hubbards).*

The above views reflect SME's potential to take a leadership position in the field which further highlights possible mimetic pressure to influence SE reporting and is explained through the business case rationale (Buhr et al., 2014). SBN members are predominantly non-consistent SE reporters and make limited acknowledgements regarding the SBN's influence on the decision to produce external SE reports. The participant from Hubbards claims that if the SBN required external SE reports they would willingly comply. He further discusses having difficulties quantifying intangibles within SE reports but is working with the SBN on a project with a community footprint focus.

*We're doing a pilot scheme in the community. We will in fact be one of the leading authorities in the network on this (Hubbards).*

This claim reiterates the potential of mimetic pressure among field players to further the practice of SE reporting. The Resene participant acknowledges the SBN is a likely contact, holding resources and knowledge relevant for members interested in publishing SE reports. However, Resene, a non-consistent SE reporter, is not influenced through mimetic pressure as the participant claims they are unlikely to utilise other members as a resource to inform the content, let alone produce external SE reports. According to Higgins et al.'s (2014) categorisation Resene would be deemed a 'conscious resistor' by choosing not to produce a SE report.

### **7.4.3 Section Summary**

Findings highlight that SBI's have facilitated SE reporters' decisions to produce external SE reports but this influence has not institutionalised this practice in the organisational field, either among SBI members, let alone New Zealand.

The SBC provides weak normative, mimetic and coercive pressure which combined with members' internal normative pressure has resulted in some members' engagement in SE reporting. Furthermore, through the SBC field connections the content and process of SE reporting is further influenced. The SBC has signalled an

intention to enforce coercive pressure on members' SE reporting practices and has further potential to do so through policy input. However, these pressures are further understood through the business case rationale. The SBC is focused on (political) legitimacy of itself and its members reflected through its field position. Ultimately business survival probably explains why the SBC has not enforced SE reporting.

The SBN influences the decision of members' to produce SE reports through weak normative and mimetic pressure but to a much lesser extent. The SBN has fewer interactions with field players, further reducing any evidence of isomorphic pressures on SE reports' content and/or process. This is evident with the SBN members', predominantly SMEs and non-consistent SE reporters, resisting this practice through resource constraint arguments. Although there is some potential for the SBN to coercively pressure members' SE reporting practices, their field position and focus on sustainability-related practices makes it an unlikely course of action.

## **7.5 Chapter Summary**

This chapter offers key insights for understanding how, if at all, the role of SBIs institutionalises the practice of SE reporting. Findings highlight the purpose and role of two SBIs as focusing on sustainability and benefits include facilitating SBI members' action towards sustainability-related practices.

The SBC's role facilitates weak isomorphic pressure on SBI members' SE reporting practices. Normative, mimetic and coercive pressures have resulted in some members consistently producing SE reports, but this practice is not institutionalised among field players. Although coercive pressure is evident through the membership criterion it is weak because it is yet to be enforced. Connections within the organisational field also offer potential for the SBC to coercively pressure members' SE reporting practices. Furthermore, the SBC's collective of members' offers great potential to influence policy.

The SBN's role also highlights weak normative and mimetic pressures on SE reporting practices but to a lesser extent than the SBC. The SBN has fewer connections within the organisational field and although there is some potential to do so, the SBN does not exercise any coercive pressure on SBI members' SE reporting

practices. Similarly, although PA has some potential to indirectly exercise coercive pressure on SE reporting the focus of PA makes this unlikely.

In line with the findings of Gray (2007) this research clearly illustrates the complexity of motivations for SBI members' engagement in SE reporting. This practice is motivated by, or resisted through, the business case rationale – proactively furthering legitimacy or defended through resource constraints (Buhr et al., 2014). The role of SBIs facilitating sustainability-related practices through mimetic and normative pressures does not appear enough to further progress or institutionalise the practice of SE reporting among SBI members, let alone more widely. Hence, as Jennings and Zandbergen (1995) propose, coercive pressure is required. There is potential for SE reporting to be enforced through various channels including stakeholder pressure, government policy and membership expectations. The following and final chapter summarises the research findings and draws conclusions.

## Chapter 8 – Conclusion

### 8.1 Chapter Overview

This chapter presents conclusions to this thesis which are structured according to the research questions. This is followed by recommendations, suggestions for future research and a concluding statement.

### 8.2 Social and Environmental Reporting Practice in New Zealand

This research is motivated by the importance of business entities pursuing sustainability-related practices, and being accountable for their actions through providing external SE reports. However, in New Zealand, SE reporting practices are “starting behind” and this motivates the first research question:

- Why have social and environmental reporting practices among New Zealand business entities not become more widespread and institutionalised, when they so clearly seem to have done so in many other countries?

This research clearly illustrates there is a lack of coercive pressure in the New Zealand business environment and this has prevented the institutionalisation of SE reporting. For example, Fonterra, a non-consistent reporter, is under stakeholder pressure to produce SE reports but this pressure is from international stakeholders. Similarly, Sanford a SE reporter has been exposed to stakeholder pressure following an alleged oil leak. This incident has resulted in Sanford’s increasing their public disclosures and having their fishing fleet certified through ISO standards. However, these examples are not reflective of direct stakeholder pressure in New Zealand.

This research also exposes the lack of government leadership regarding sustainability-related practices. The current political party in New Zealand has placed greater emphasis on the economy, particularly following the recession, and the focus on engagement in sustainability-related practices has diminished. Hence, a key explanation for why SE reporting has not become institutionalised is the lack of regulation in New Zealand (Collins et al., 2010). Of significance, and contrary to prior research findings (Collins et al., 2010; Dobbs and van Staden, 2012), SBI representatives and SBI members largely agree that government legislation is required in order to regulate SE reporting in New Zealand.

Bebbington et al.'s (2009) findings are also confirmed, that there are weak isomorphic pressures influencing SBI members' sustainability-related practices. In line with prior rationales for SE reporting (Buhr et al., 2014; Bansal and Roth, 2000), this research highlights accountability as the claimed reason for why some SBI members engage in this practice. The initial decision to produce SE reports by SBI members is endorsed through internal champions (Adams and McNicholas, 2007) and is further explained as internal normative pressure. Isomorphic pressures are also enabled through field players but these pressures are not strong enough to institutionalise SE reporting. For example, international players influence the sustainability-related practices of non-SE reporters but this has not resulted in their deciding to produce SE reports. This influence is further explained through external normative and mimetic pressures – SBI members are associated with a legitimate authority and are influenced through the practices of other field players (Goswami and Lodhia, 2012). This confirms Collins et al.'s (2010) findings that sustainability-related practices are institutionalised through normative and mimetic pressure. However, without isomorphic pressures in combination, SE reporting is unlikely to become institutionalised (Higgins et al., 2014; Jennings and Zandbergen, 1995).

Although prior literature uses the business case rationale to explain engagement in SE reporting, it is evident from this research that the business case rationale explains resistance to this practice (see Buhr et al., 2014). There is little perception by SBI members of having or gaining any competitive advantage through producing SE reports (Stubbs et al., 2013; Higgins et al., 2014). This is evident through SBN members, predominantly SMEs, use of resource constraint arguments to justify their resistance to SE reporting (Stubbs et al., 2013). Similarly, the poor SE reporting practices of New Zealand business entities, as well as SBI members, suggest little value is placed on gaining legitimacy through providing external SE reports (see Buhr et al., 2014; Bansal and Roth, 2000) unless an external event results in public or stakeholder pressure.

Addressing the first research question exposed the lack of coercive pressure in the New Zealand context because of the political climate, few external events and predominance of SMEs in New Zealand enabling resistance to SE reporting. This finding led to questioning the role of SBIs for institutionalising SE reporting.

### 8.3 The Role of Sustainable Business Intermediaries

SBIs representatives consider SE reporting to be important and have had significant opportunity to institutionalise this practice through being well-established in New Zealand. However, to date, SBIs have either not required their members to publish external SE reports and/or not enforced this membership requirement. Hence, this motivates the second research question:

- What is the role of New Zealand Sustainable Business Intermediaries in institutionalising social and environmental reporting practices in New Zealand and to what effect?

From this research it is clear that SBIs have played a role in institutionalising their members' sustainability-related practices, but not SE reporting. As Greenwood et al. (2008) propose, the networked structure of SBIs, field players' interactions and SBIs' membership with a legitimate authority have facilitated sustainability-related practices. However, SBIs, similar to their members, are motivated by the business case - survival and legitimacy (DiMaggio and Powell, 1983). Hence, this research exposes tension between the business case and membership requirements, suggesting the coercive role of SBIs in institutionalising SE reporting is weak or that there is little perceived value placed on this practice by both SBIs and SBI members.

The purpose of SBIs, specifically the SBN and SBC, incorporates sustainability-related practices but SBIs' roles vary. The SBN has an individualised focus on members' action towards sustainability-related practice. In contrast, PA is focused on macro-economic policy in New Zealand towards 'green' (economic) growth. Neither of these SBIs requires nor enforces SE reporting. The SBC has a collective approach, leveraging off the combined economic influence of its members and this has allowed the SBC to establish a powerful field position with a political focus (Hardy and Maguire, 2008; Dillard et al., 2004; Milne et al., 2009). Concurring with the findings of Bebbington et al. (2009) the SBC exercises weak downwards pressure on members' SE reporting. However, to date the SBC has neither enforced their membership requirements nor actively lobbied for government policy regarding SE reporting.

Within the organisational field there is evidence of weak isomorphic pressures enabled through the role of SBIs and having some influence on SBI members' SE reporting practices. Motivations of legitimacy are further explained through normative pressure with SE reporters adhering to recognised SE reporting frameworks (Goswami and Lodhia, 2012). As Meyer and Rowan (1977) propose, mimetic pressure is facilitated through relational networks. SBIs and other field players interact and influence the SE reporting practices of SBI members. Overall, SBIs exercise weak normative and mimetic pressures influencing the process and content of SE reports (Jennings and Zandbergen, 1995), rather than SBI members' deciding to produce SE reports.

Although SBIs deem SE reporting to be important, they have been reluctant to coercively pressure their members' practices. Although one might argue there is potential for the SBN and PA to further SE reporting, neither SBI appears interested in taking a coercive role. The SBC through their membership criterion, which requires SE reporting, has taken a weak coercive role in the past, which did improve the uptake of SE reporting in the early 2000s (Bebbington et al., 2009). However, this criterion was never strictly enforced and consequently SE reporting has not become institutionalised. Instead there is resistance to this practice. It would appear that SBIs are using their established legitimacy through their collective membership, field position and sustainability focus, to thwart the likelihood of regulations (Gray, 2007). Therefore it remains to be seen whether the CEO of the SBC will be an agent of change (Dillard et al., 2004; Zucker and Darby, 2009) through enforcing the 'SE reporting' membership criterion. Or, as proposed by Higgins et al (2014), whether SE reporting will become institutionalised as new players, such as PA, enter the field, affecting the balance of power (Wooten and Hoffman, 2008) among SBIs.

#### **8.4 Recommendations**

This section draws from the findings and conclusion chapters in order to offer recommendations for institutionalising the practice of SE reporting in New Zealand. The potential role of SBIs for institutionalising SE reporting is discussed and is followed by the role required of the New Zealand government.

SBIs in New Zealand have powerful positions and strong connections in the organisational field and should fill a coercive role to further SBI members'

sustainability-related practices to institutionalised SE reporting. The coercive role of SBIs regarding SE reporting should encompass, making information publicly available, increasing stakeholder pressure and directing resources towards government policy. Furthermore, SBIs should take advantage of their field position and apply direct coercive pressure on their members' SE reporting, through enforcing their membership criterion, as this would institutionalise the practice of SE reporting in the organisational field. SBIs should act collaboratively (Bebbington et al., 2009) as this offers greater potential to further the institutionalisation of SE reporting and enhance the legitimacy of both SBIs and their members.

However, SBIs have had significant opportunity and potential to coercively pressure SE reporting and considering the state of SBI members' SE reporting practice SBIs appear reluctant to do so. SBIs and SBI members should appreciate that the benefits of engagement in SE reporting do exceed the costs and encompass more than economic considerations - specifically the environment and society. This finding suggests other field players; people in society, academics and activists, need to lobby for regulated SE reporting. Therefore, this research reiterates recommendations of academics and the United Nations (2012) that business entities should be required, through government legislation, to produce SE reports. Essentially, coercive pressure is required to institutionalise SE reporting and this should be the New Zealand government's role.

### **8.5 Future Research**

The findings from this thesis raise a number of potential avenues for further research. First, conducting research in international contexts where SE reporting is institutionalised, and/or where SE reporting is not institutionalised, would offer the opportunity to compare and contrast current research findings. This would allow a better understanding of different contexts and how they impact on the practice of SE reporting. Furthermore this avenue of research would offer further or complementary insights as to how best to institutionalise SE reporting in New Zealand.

Second, conducting further international research would offer the opportunity to gain a deeper understanding of isomorphic pressures found in this New Zealand-based research. This would enable a better understanding of the effect of individual, or a combination of, isomorphic pressures on SE reporting. For example, what effect, if

any, has internal normative pressure had on institutionalising SE reporting in other contexts? How, if at all have external normative and mimetic pressures influenced SE reporting internationally? Do individual pressures, such as coercive pressure, explain the institutionalisation of SE reporting practices in other contexts? If so, which field player has been the most effective in applying coercive pressure? Furthermore, how effective has stakeholder pressure been for institutionalising SE reporting in other contexts?

Third, widening the research scope to include the perspectives of New Zealand business entities, non-SBI members, would offer potential to develop a richer understanding of the influence, if any, of field players on SE reporting. Continuing with interview-based research offers the opportunity to compare and contrast the current research findings with potential to further explore resistance to SE reporting practice in New Zealand. For example, why is there a disconnection between business entities' involvement in sustainability-related practices and their accountability through publishing SE reports? Finally, what are the views of business entities regarding the importance of SE reporting and do they believe there is a need for regulation to institutionalise SE reporting?

Conducting research in these areas is important and would offer a greater understanding of the differences in isomorphic pressures and of the most effective player for filling a coercive role. This offers further potential to cement the policy recommendations of this research.

## **8.6 Concluding Statement**

Producing SE reports offers organisations the opportunity to be accountable to society for their actions and have some impact on sustainability. Typically though, organisations resist engagement in voluntary practices, such as SE reporting, particularly if it is viewed as having a negative impact on organisations' resources. This is the current situation for SE reporting practice in New Zealand organisations. Hence, this thesis exposes a lack of leadership in New Zealand regarding SE reporting. SBI's, requirements or enforcement of this practice are weak and the New Zealand government has not imposed regulations. Therefore, before New Zealand is *left behind completely*, a leadership role needs to be undertaken, at the highest level, to progress the institutionalisation of SE reporting.

## References

- 3R Group (2012). *Product Stewardship in Action! Awards*. Retrieved July 4, 2012, from <http://www.3r.co.nz/index.php/about-3r/awards>
- 3R Group (2013). *About 3R*. Retrieved January 6, 2013, from <http://www.3r.co.nz/index.php/about-3r>
- AccountAbility (2013). *Setting the standard for Corporate Responsibility and Sustainable Development*. Retrieved November 1, 2013, from <http://www.accountability.org>
- Aerts, W., Cormier, D., & Magnan, M. (2006). Intra-industry imitation in corporate environmental reporting: An international perspective. *Journal of Accounting and Public Policy*, 25(3), 299-331.
- Adams, C.A. (2002). Internal organisational factors influencing corporate social and ethical reporting: Beyond current theorising. *Accounting, Auditing & Accountability Journal*, 15(2), 223-250.
- Adams, C. A., & Evans, R. (2004). Accountability, completeness, credibility and the audit expectations gap. *The Journal of Corporate Citizenship*, 14, 97-115.
- Adams, C., & Larrinaga, C. (2007). Engaging with organisations in pursuit of improved sustainability accounting and performance. *Accounting, Auditing & Accountability Journal*, 20(3), 333-355.
- Adams, C.A., & McNicholas, P. (2007). Making a difference: Sustainability reporting, accountability and organisational change. *Accounting, Auditing & Accountability*, 20(3), 382-402.0
- Adams, C., & Narayanan, V. (2007). The 'standardization' of sustainability reporting. In J. Unerman, J. Bebbington, & B. O'Dwyer (Eds.), *Sustainability, Accounting and Accountability* (pp. 70-85). New York: Routledge.
- Adams, C.A., & Whelan, G. (2009). Conceptualizing future change in corporate sustainability reporting. *Accounting, Auditing & Accountability Journal*, 22(1), 118-143.
- Alexander, J. (2007). Environmental sustainability versus profit maximization: Overcoming systemic constraints on implementing normatively preferable alternatives. *Journal of Business Ethics*, 76, 155-162.
- Association of Chartered Certified Accountants [ACCA]. (2013). *Awards for Sustainability Reporting (2013)*. Retrieved June 13, 2013, from <http://www.accaglobal.com/en/technical-activities/sustainability/awards-sustainability.html>
- Australian Government Bureau of Meteorology [AGBM]. (2013). *Water Regulations 2008*. Retrieved May 12, 2013, from <http://www.bom.gov.au/water/regulations/index.shtml>
- Australian Government Department of the Environment [AGDE]. (2013). *National Greenhouse and Energy Reporting*. Retrieved May 11, 2013, from <http://www.climatechange.gov.au/climate-change/greenhouse-gas-measurement/national-greenhouse-and-energy-reporting>

- Ball, A., & Craig, R. (2010). Critical perspectives on accounting using neo-institutionalism to advance social and environmental accounting. *Critical Perspectives on Accounting*, 21(4), 283-293.
- Ball, A, Owen, D.L., & Gray, R. (2000). External transparency or internal capture? The role of third-party statements in adding value to corporate environmental reports. *Business Strategy and the Environment*, 9, 1-23.
- Banerjee, S.B. (2008). Corporate social responsibility: The good, the bad and the ugly. *Critical Sociology*, 34(1), 51-79.
- Banerjee, S.B. (2011). Embedding sustainability across the organization: A critical perspective. *Academy of Management Learning and Education*, 10(4), 719-731.
- Bansal, P., Bertels, S., Ewart, T., MacConnachie, P., & O'Brien, J. (2012). Bridging the research-practice gap. *Academy of Management Perspectives*, 26(1), 73-92.
- Bansal, P., & Roth, P. (2000). Why companies go green: A model of ecological responsiveness. *The Academy of Management Journal*, 43(4), 717-736.
- Bansal, P. (2005). Evolving sustainably: a longitudinal study of corporate sustainable development. *Strategic Management Journal*, 26(3), 197-218.
- Barley, S.R. (2008). Coalface Institutionalism. In R. Greenwood, C. Oliver, K. Sahlin & R. Suddaby (Eds.), *The SAGE Handbook of Organizational Institutionalism* (pp. 491-519). SAGE Publications Inc.
- Bartels, W., Iansen-Rogers, J., & Kuszewski, J. (2008). *Count Me In: The Readers' Take on Sustainability Reporting*. Amstelveen and London: KPMG and SustainAbility.
- Bebbington, J. (2001). Sustainable development: a review of the international development, business and accounting literature. *Accounting Forum*, 25(2), 128-158.
- Bebbington, J., & Gray, R. (2001). An account of sustainability: Failure, success and a reconceptualization. *Critical Perspectives on Accounting*, 12(5), 557-588.
- Bebbington, J., & Dillard, J. (2008). Social sustainability: An Organizational-Level Analysis. In J. Dillard, V. Dujon, & M. King (Eds.), *Understanding the Social Dimension of Sustainability* (pp. 157-173). New York: Routledge.
- Bebbington, J., Larrinaga, C., & Moneva, J.M. (2008). Corporate social reporting and reputation risk management. *Accounting, Auditing & Accountability Journal*, 21(3), 337-361.
- Bebbington, J., Higgins, C., & Frame, B. (2009). Initiating sustainable development reporting: evidence from New Zealand. *Accounting, Auditing & Accountability Journal*, 22(4), 588-625.
- Bebbington, J. (2013). *LOST ART*. Retrieved June 13, 2013, from <http://www.landcareresearch.co.nz/about/sustainability/voices/perspectives/invited-external-thinkpieces/prof-jan-bebbington-lost-art>
- Beca (2012). *About Beca*. Retrieved June 4, 2012, from [http://www.beca.com/about\\_beca.aspx](http://www.beca.com/about_beca.aspx)

- Bloomberg (2013). *GRI Releases New Version of Sustainability Reporting Guidelines*. Retrieved June 14, 2013, from <http://www.bloomberg.com/news/2013-05-23/gri-releases-new-version-of-sustainability-reporting-guidelines-.html>
- Bourdieu, P., & Wacquant, L.J.D. (1992). *An invitation to reflexive sociology*. Chicago: University of Chicago Press.
- Boxenbaum, E., & Jonsson, S. (2008). Isomorphism, Diffusion and Decoupling. In R. Greenwood, C. Oliver, K. Sahlin, & R. Suddaby (Eds.), *The SAGE Handbook of Organizational Institutionalism* (pp. 78-99). SAGE Publications Inc.
- Boysen, M.C. (2009). *An Assessment of Environmental Indicator Data Quality in GRI Sustainability Reporting*. Unpublished Master's Thesis, University of Victoria, Wellington, New Zealand.
- Brown, J., & Fraser, M. (2006). Approaches and perspectives in social and environmental accounting: An overview of the conceptual landscape. *Business Strategy and the Environment*, 15, 103-117.
- Brown, H., de Jong, M., & Levy, D. (2009). Building institutions based on information disclosure: lessons from GRI's sustainability reporting. *Journal of Cleaner Production*, 17(6), 571-580.
- Bruno, K., & Karlner, J. (2002). *Earthsummit.biz: The Corporate Takeover of Sustainable Development*. Food First Books: California University Press.
- Bryman, S., & Bell, E. (2007). *Business Research Methods* (2<sup>nd</sup> Ed). Oxford University Press.
- Buhr, N., & Freedman, M. (2001). Culture, institutional factors and differences in environmental disclosure between Canada and the United States. *Critical Perspectives on Accounting*, 12, 293-322.
- Buhr, N. (2007). Histories and rationales for sustainability reporting. In J. Unerman, J. Bebbington, & B. O'Dwyer (Eds.), *Sustainability, Accounting and Accountability* (pp. 57-69). New York: Routledge.
- Buhr, N., Gray, R. & Milne, M.J. (2014). Histories, rationales, voluntary standards and future prospects for sustainability reporting: CSR, GRI, IIRC and beyond. In J. Unerman, J. Bebbington, & B. O'Dwyer (Eds.), *Sustainability, Accounting and Accountability* (2<sup>nd</sup> ed, pp. 51-71). London: Routledge.
- Burchell, S., Clubb, C., & Hopwood, A.G. (1985). Accounting in its Social Context: Towards a History of Value Added in the United Kingdom. *Accounting, Organizations and Society*, 10(4), 381-413.
- BusinessNZ (2013). *BusinessNZ: The voice of business*. Retrieved January 12, 2013, from <http://www.businessnz.org.nz/>
- Caddie, M. (1998). *Dick Hubbard and Businesses for Social Responsibility*. Retrieved January 12, 2013, from <http://www.nzine.co.nz/features/hubbard.html>
- Carbon Disclosure Project [CDP]. (2013). *CDP Driving Sustainable Economies*. Retrieved May 12, 2013, from <https://www.cdproject.net/en-US/Pages/HomePage.aspx>

- carboNZero (2013). *About the carboNZero programme*. Retrieved March 10, 2013, from <http://www.carbonzero.co.nz/about/>
- Chapman, R. & Milne, M.J. (2004). The Triple Bottom Line: How New Zealand companies measure up. *Corporate Environmental Strategy: International Journal for Sustainable Business*, 11(2), 37-50.
- Collins, E., Lawrence, K., Pavlovich, K., & Ryan, C. (2007). Business networks and the uptake of sustainability practices: the case of New Zealand. *Journal of Cleaner Production*, 15(8-9), 729-740.
- Collins, E., Roper, J., & Lawrence, S. (2010). Sustainability practices: Trends in New Zealand businesses. *Business Strategy and the Environment*, 19, 479-494.
- Collins, E., Lawrence, S., Roper, J., & Haar, J. (2011). Sustainability and the role of the Management Accountant. *Research Executive Summary Series*, 7(14), 1-11.
- Cormier, D., Magnan, M., & van Velthoven, B. (2004). Environmental disclosure quality in large German companies: Economic incentives, public pressures or institutional conditions? *European Accounting Review*, 14(1), 37-41.
- CorporateRegister.com. (2008). *Assure View: The CSR Assurance Statement Report*. London: Park Communications Limited.
- CorporateRegister.com (2012). *CR Reports*. Retrieved August 12, 2012, from <http://www.corporateregister.com>
- Covaleski, M.A., Dirsmith, M.W. & Michelman, J.E. (1993). An institutional theory perspective on the DRG framework, case-mix accounting systems and health-care organizations. *Accounting, Organizations and Society*, 18, 65-80.
- Covaleski, M.A., Dirsmith, M.W. & Samuel, S. (1996). 'Managerial accounting research: the contributions of organisational and sociological theories'. *Journal of Management Accounting Research*, 8, 1-35.
- Crown Research Institutes [CRI]. (2013). *Crown Research Institutes*. Retrieved January 14, 2013, from <http://www.msi.govt.nz/get-connected/crown-research-institutes/>
- Cyert, R.M., & March, J.G. (1963). *A Behavioral Theory of the Firm*. Englewood Cliffs. Prentice Hall.
- Dacin, M., Goodstein, H., & Scott, R.W. (2002). Institutional theory and institutional change: Introduction to the special research forum. *The Academy of Management Journal*, 45(1), 43-56.
- Dando, N., & Swift, T. (2003). Transparency and assurance: Minding the credibility gap. *Journal of Business Ethics*, 44(2/3), 195-200.
- Deegan, C., & Rankin, M. (1996). Do Australian companies report environmental news objectively? An analysis of environmental disclosures by firms prosecuted successfully by the environmental protection authority. *Accounting, Auditing & Accountability Journal*, 9(2), 50-67.
- Deegan, C., Rankin, M., & Tobin, J. (2002). An examination of the corporate social and environmental disclosures of BHP from 1983-1997: A test of legitimacy theory. *Accounting, Audit & Accountability Journal*, 15(3), 312-43.

- Deegan, C., & Blomquist, C. (2006). Stakeholder influence on corporate reporting: An exploration of the interaction between WWF-Australia and the Australian minerals industry. *Accounting, Organizations and Society*, 31(4/5), 343-347.
- Deloitte (2013). *Deloitte Sustainability*. Retrieved June 15, 2013, from [https://www.deloitte.com/view/en\\_NZ/nz/services/deloitte-sustainability/index.htm](https://www.deloitte.com/view/en_NZ/nz/services/deloitte-sustainability/index.htm)
- Denzin, N.K., & Lincoln, Y.S. 2011. Introduction: The Discipline and Practice of Qualitative Research. In N.K. Denzin, & Y.S. Lincoln (Eds.), *The SAGE Handbook of Qualitative Research* (pp. 1-20). SAGE Publications Inc.
- Department for Environment, Food & Rural Affairs [DEFRA]. (2012). *Measuring and reporting environmental impacts: guidance for businesses*. Retrieved May 15, 2012, from <http://www.defra.gov.uk/environment/economy/business-efficiency/reporting/>
- Department of Conservation [DOC]. *Home*. Retrieved May 13, 2013, from <http://www.doc.govt.nz/>
- Dey, C. (2007). Developing silent and shadow accounts. In J. Unerman, J. Bebbington, & B. O'Dwyer (Eds.), *Sustainability, Accounting and Accountability* (pp. 307-326). New York: Routledge.
- Dillard, J., Rigsby, C., & Goodman, C. (2004). The making and remaking of organization context: duality and the institutionalization process. *Accounting, Auditing & Accountability Journal*, 17(4), 506-542.
- Dillard, J.F., Dujon, V., & King, M.C. (2008a). Introduction. In J. Dillard, V. Dujon, & M.C. King (Eds.), *Understanding the Social Dimension of Sustainability* (pp. 1-12). New York: Routledge.
- Dillard, J.F., Dujon, V., & King, M.C. (2008b). Reflections and Directions for the Future. In J. Dillard, V. Dujon, & M.C. King (Eds.), *Understanding the Social Dimension of Sustainability* (pp. 285-290). New York: Routledge.
- DiMaggio, P.J., & Powell, W. (1983). The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. *American Sociological Association*, 48(2), 147-160.
- DiMaggio, P.J., & Powell, W. (1991). Introduction. In P.J. DiMaggio & W.W. Powell (Eds.), *The New Institutionalism in Organizational Analysis* (pp.1-38). Chicago: The University of Chicago Press.
- Djelic, M-L., & Quack, S. (2008). Institutions and Transnationalization. In R. Greenwood, C. Oliver, K. Sahlin & R. Suddaby (Eds.), *The SAGE Handbook of Organizational Institutionalism* (pp. 299-325). SAGE Publications Inc.
- Doane, D. (2002). *Corporate Spin: The Trouble Teenage Years of Social Reporting*, London, New Economics Foundation.
- Dobbin, F.R. (1994). Cultural models of organization: The social construction of rational organizing principles. In D. Crane (Ed.), *The Sociology of Culture* (pp. 117-143). Blackwell Publishers.

- Dobbs, S. & van Staden, C. (2012, December). *Motivations for Corporate Social and Environmental Reporting: New Zealand Evidence*. Paper presented at the A-CSEAR Conference, University of Wollongong, Wollongong, NSW.
- Downes, D. (2000). The New Zealand environmental movement and the politics of inclusion. *Australian Journal of Political Science*, 35(3), 471-491.
- Doyle, T., & McEachern, D. (2008). *Environment and Politics* (3rd ed.). New York: Routledge.
- Duckor-Jones, S., & Miller, C. (2013). Fonterra can't afford any more slip ups. Retrieved December 18, 2013, from <http://www.newstalkzb.co.nz/auckland/news/nbrur/203183265-fonterra-can-t-afford-any-more-slip-ups>
- Earth Summit (1992). *UN Conference on Environment and Development* (1992). Retrieved November 4, 2012, from <http://www.un.org/geninfo/bp/enviro.html>
- Eccles, R.G., & Serafeim, G. (2011). *Leading and Lagging Countries in Contributing to a Sustainable Society*. Retrieved November 11, 2012, from <http://hbswk.hbs.edu/item/6716.html>
- Elkington, J. (1997). *Cannibals with Forks: The Triple Bottom Line of 21st Century Business*. Capstone Publishing Limited.
- Envirostate (2012). *Towards Transparency: Best Practice Sustainability Reporting New Zealand 2012*. [Brochure]. Mt Maunganui: Author
- Envirostate (2013). *Envirostate*. Retrieved January 14, 2013, from <http://www.envirostate.co.nz>
- Epstein, M.J. (2008). *Making Sustainability Work: Best Practices in Managing and Measuring Corporate Social, Environmental, and Economic Impacts*. Berrett-Koehler Publishers.
- ERM New Zealand Limited [ERM]. (2013). *Home*. Retrieved, December 15, 2013 from <http://www.erm.com/en/>
- Ernst and Young [EY]. (2013). *Climate Change and Sustainability Services*. Retrieved June 15, 2013, from <http://www.ey.com/NZ/en/Services/Specialty-Services/Climate-Change-and-Sustainability-Services>
- Etzion, D., & Ferraro, F. (2010). The role of analogy in the institutionalization of sustainability reporting. *Organization Science*, 21(5), 1092-1107.
- Eweje, G. (2011). A shift in corporate practice? Facilitating sustainability strategy in companies. *Corporate Social Responsibility and Environmental Management*, 18, 125-136.
- External Reporting Board [XRB]. (2013). *Homepage*. Retrieved June 15, 2013, from <http://www.xrb.govt.nz>
- Field, M. (2012). *Sanford facing US criminal trial*. Retrieved June 15, 2013, from <http://www.stuff.co.nz/business/industries/7375763/Sanford-facing-US-criminal-trial>

- Fligstein, N. (1987). The intraorganizational power struggle: Rise of finance personnel to top leadership in large corporations, 1919 - 1979. *American Sociological Review*, 52(1), 44-58.
- Fonterra Cooperative Group Limited. (2012). *Fonterra Annual Report 2012: All Of Us Together*. Retrieved January 14, 2013, from <http://www.fonterra.com/wps/wcm/connect/e0941d2f-410f-4abc-aa90-3b0862660980/Full+Annual+Report+2012.pdf?MOD=AJPERES>
- Fonterra New Zealand (2013). *Company Overview*. Retrieved January 14, 2013, from <http://www.fonterra.com/nz/en/About/Company+Overview>
- Fortanier, F., Kolk, A., & Pinkse, J. (2011). Harmonization in CSR reporting MNEs and global CSR standards. *Management International Review*, 51(5), 665–96.
- Frost, G. (2007). The introduction of mandatory environmental reporting guidelines: Australian evidence. *Abacus*, 43(2), 190-216.
- Garfinkel, H. (1967). *Studies in Ethnomethodology*. Englewood Cliffs, Prentice Hall.
- Giddens, A. (1984). *The Constitution of Society: outline of a theory of structuration*. Berkeley: University of California Press.
- Gilkison, B. (1995). An annual report. *Chartered Accountants Journal*, November, 8-10.
- Gilkison, B. (1996). Missing the green light. *Chartered Accountants Journal*, October, 66-70.
- Gilkison, B. (1997). Environmental accountability: Award winners show the way – others need a push. *Chartered Accountants Journal*, September, 57-61.
- Gilkison, B. (1997). Clean green companies? It's hard to know if they won't tell... *Chartered Accountants Journal*, November, 65-68.
- Gilkison, B. (1998). The best get better. *Chartered Accountants Journal*, August, 57-61.
- Gilkison, B. (2000). Coming clean, sometime soon. *Chartered Accountants Journal*, August, 27-31.
- Gilkison, B. (2002). Reaching new levels: the 2002 environmental/sustainability reporting awards. *Chartered Accountants Journal*, September, 58-61.
- Gilkison, B. (2003). Building trust – a quick and effective triple bottom line report. *Chartered Accountants Journal*, 82(8), 24-25.
- Gilkison, B., & Ensor, J. (2000). Desperately seeking volunteers. *Chartered Accountants Journal*, October, 32-36.
- Global Reporting Initiative [GRI]. (2012). *About*. Retrieved November 12, 2012, from <https://www.globalreporting.org/information/about-gri/Pages/default.aspx>
- Global Reporting Initiative [GRI]. (2013a). *G4 Sustainability Reporting Guidelines*. Retrieved October 15, 2013, from <https://www.globalreporting.org/reporting/g4/Pages/default.aspx>

- Global Reporting Initiative [GRI]. (2013b). *Companies to benefit as CDP and GRI collaborate to harmonize reporting frameworks*. Retrieved June 15, 2013, from <https://www.globalreporting.org/information/news-and-press-center/Pages/Companies-to-benefit-as-CDP-and-GRI-collaborate-to-harmonize-reporting-frameworks.aspx>
- Global Reporting Initiative [GRI]. (2014). *CDP*. Retrieved January 14, 2014, from <https://www.globalreporting.org/network/report-or-explain/campaign-forum-members/Pages/Carbon-Disclosure-Project.aspx>
- Goffman, E. (1974). *Frame analysis: An essay on the organization of experience*. London: Harper and Row.
- Golob, U., & Bartlett, J.L. (2007). Communicating about corporate social responsibility: A comparative study of CSR reporting in Australia and Slovenia. *Public Relations Review*, 33, 1-9.
- Goswami, K., & Lodhia, S. (2012, December). *Influences on Sustainability Reporting Practices in Selected South Australian Local Councils: An Explanatory Case Study*. Paper presented at the A-CSEAR Conference, University of Wollongong, Australia.
- Grant, P. (2011). *Making a Difference in Burnley. An evaluation of the role played by The Prince's Charities*. Cass Business School, City University London.
- Gray, J. (2012). *Fonterra share trading scheme set to begin*. Retrieved September 15, 2013, from [http://www.nzherald.co.nz/business/news/article.cfm?c\\_id=3&objectid=10844475](http://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=10844475)
- Gray, R. (1992). Accounting and environmentalism: An exploration of the challenge of gently accounting for accountability, transparency and sustainability. *Accounting Organizations and Society*, 17(5), 399-425.
- Gray, R., Owen, D., & Adams, C. (1996). *Accounting and Accountability: Changes and Challenges in Corporate Social and Environmental Reporting* (2<sup>nd</sup> Ed). London: Prentice Hall.
- Gray, R., Dey, C., Owen, D., Evans, R., & Zadek, S. (1997). Struggling with the praxis of social accounting. Stakeholders, accountability, audits and procedures. *Accounting, Auditing & Accountability Journal*, 10(3), 325-364.
- Gray, R., & Bebbington, J. (2001). *Accounting for the Environment* (2<sup>nd</sup> Ed). London: SAGE Publications Inc.
- Gray, R., & Milne, M.J. (2002). Sustainability reporting: who's kidding whom? *Chartered Accountant Journal of New Zealand*, 81(6), 66-70.
- Gray, R., & Milne, M.J. (2004). Towards reporting on the triple bottom line: Mirages methods, and myths. In A. Henriques, & J. Richardson (Eds.), *The Triple Bottom Line: Does it All Add Up* (pp. 70-80). Earthscan, London
- Gray, R. (2007). Taking a long view on what we know about social and environmental accountability and reporting. *Issues in Social and Environmental Accounting and Reporting*, 1(2), 169-198.

- Gray, R. (2010). Is accounting for sustainability actually accounting for sustainability...and how would we know? An exploration of narratives of organisations and the planet. *Accounting Organizations and Society*, 35, 47-62.
- Gray, R., Owen, D., & Adams, C. (2010). Some Theories for Social Accounting?: A Review Essay and a Tentative Pedagogic Categorisation of Theorisations Around Social Accounting. In M. Freedman, & B. Jaggi (Eds.), *Sustainability, Environmental Performance and Disclosures. Advances in Environmental Accounting and Management* (pp. 1-54). Emerald Group Publishing Ltd.
- Gray, R., & Laughlin, R. (2012). It was 20 years ago today Sgt Pepper, Accounting, Auditing and Accountability Journal, green accounting and the Blue Meanies. *Accounting, Auditing & Accountability Journal*, 25(2), 228-255.
- Greenpeace (2013). *What's wrong with deep sea oil?* Retrieved December 6, 2013, from <http://www.greenpeace.org/new-zealand/en/campaigns/climate-change/Oil-drilling-not-a-solution/>
- Greenhouse Gas Protocol [GHG]. (2013). *About the GHG Protocol*. Retrieved February 15, 2013, from <http://www.ghgprotocol.org/about-ghgp>
- Greenwood, R., & Hinings, C.R. (1996). Understanding radical organizational change: Bringing together the old and the new institutionalism. *The Academy of Management Review*, 21(4), 1022-1054.
- Greenwood, R., Suddaby, R., & Hinings, C. (2002). Theorizing change: The role of Professional Associations in the transformation of institutionalized fields. *The Academy of Management Journal*, 45(1), 58-80.
- Greenwood, R., Oliver, C., Sahlin, K., & Suddaby, R. (2008). Introduction. In R. Greenwood, C. Oliver, K. Sahlin, & R. Suddaby (Eds.), *The SAGE Handbook of Organizational Institutionalism* (pp. 1-46). SAGE Publications Inc.
- Greer, J., & Bruno, K. (1996). *Greenwash: The reality behind corporate environmentalism*. Third World Network: Penang, Malaysia.
- Grbich, C. (2007). *Qualitative data analysis: An Introduction*. SAGE Publications Inc.
- Guthrie, J., & Parker, L.D. (1989). Corporate social reporting: A rebuttal of legitimacy theory. *Accounting and Business Research*, 19(76), 343-352.
- Hackston, D., & Milne, M. (1996). Some determinants of social and environmental disclosures in New Zealand companies. *Accounting, Auditing & Accountability Journal*, 9(1), 77-108.
- Haider, M. (2010). An overview of corporate social and environmental reporting (CSER) in developing countries. *Issues in Social and Environmental Accounting*, 4(1), 3-17.

- Handford, R. (2010). *Global trends in Sustainability Performance Management: A report from the Economist Intelligence Unit*, Economist Intelligence Unit Limited, London, UK, retrieved June 15, 2013, from [http://fm.sap.com/data/UPLOAD/files/EIU\\_-\\_Sustainability\\_Performance\\_Management%5B1%5D.pdf](http://fm.sap.com/data/UPLOAD/files/EIU_-_Sustainability_Performance_Management%5B1%5D.pdf)
- Hardy, C., & Maguire, S. (2008). Institutional Entrepreneurship. In R. Greenwood, C. Oliver, K. Sahlin & R. Suddaby (Eds.), *The SAGE Handbook of Organizational Institutionalism* (pp. 198-218). SAGE Publications Inc.
- Harris, L.C., & Crane, A. (2002). The greening of organisational culture: management views on the depth, degree and diffusion of change. *Journal of Organizational Change Management*, 15(3), 214-234.
- Hartley, J.F. (1994). Case Studies in Organizational Research. In C. Cassell & G. Symon (Eds.), *Qualitative Methods in Organizational Research: A Practical Guide* (pp. 208-229). SAGE Publications Inc.
- Hawken, P., Lovins, A.B. & Lovins, L.H. (2002). *Natural Capitalism: the next industrial revolution*. London: Earthscan.
- Higgins, C.P., & Larrinaga, C. (2014). Sustainability Reporting: Insights from institutional theory. In J. Unerman, J. Bebbington, & B. O'Dwyer (Eds.), *Sustainability, Accounting and Accountability* (2<sup>nd</sup> Ed, pp. 273-285), New York: Routledge.
- Higgins, C.P., Stubbs, W. & Milne, M.J. (2014). An institutional account of why companies do not produce sustainability reports, (Academy of Management Meetings, Philadelphia, Pennsylvania, USA, August 1-5).
- Higgins, C., Milne, M.J., & van Gramberg, B. (forthcoming). The uptake and spread of sustainability reporting in Australia. *Journal of Business Ethics*.
- Hinings, C.R., & Greenwood, R. (2002). Disconnects and consequences in organization theory? *Administrative Science Quarterly*, 47(3), 411-421.
- Hoffman, A.J. (1999). Institutional evolution and change: Environmentalism and the U.S. chemical industry. *Academy of Management Journal*, 42(4), 351-357.
- Hoffman, A. (2001). *From Heresy to Dogma. An Institutional History of Corporate Environmentalism*. California: Stanford University Press.
- Hopwood, A.G. (2009). Accounting and the environment. *Accounting, Organizations and Society*, 34, 433-439.
- Hoque, Z., & Alam, M. (1999). TQM adoption institutionalism and changes in management accounting system: a case study. *Accounting and Business Research*, 29(3), 199-210.
- Howells, J. (2006). Intermediation and the role of intermediaries in innovation. *Research Policy*, 35, 715-728.
- Hubbard Foods Limited [Hubbards]. (2013). *Why Are We Here?* Retrieved January 10, 2013, from <http://www.hubbards.co.nz/about-us/>
- Hubbard, G. (2009). Measuring organizational performance: Beyond the triple bottom line, *Business Strategy and the Environment*, 18, 177-191.

- Iansen-Rogers, J., & Oelschlaegel, J. (2005). *Assurance Standards Briefing. AA1000 Assurance Standards & ISAE 3000*. Amsterdam: KPMG Sustainability and AccountAbility.
- Institute of Chartered Accountants of New Zealand [ICANZ]. (2002). *Report of the Taskforce on Sustainable Development Reporting*. Wellington: ICANZ.
- International Accounting Standards Board [IASB]. (2013). *Homepage*. Retrieved July 15, 2013, from <http://www.ifrs.org/Pages/default.aspx>
- International Financial Reporting Standards [IFRS]. (2013). *IASB and IIRC formalize cooperation on work to develop integrated corporate reporting framework*. Retrieved July 15, 2013, from <http://www.ifrs.org/Alerts/PressRelease/Pages/IASB-and-IIRC-sign-MoU.aspx>
- International Integrated Reporting Council [IIRC]. (2012). *Integrated Reporting Discussion Paper*. Retrieved May 15, 2012, from <http://www.theiirc.org/the-integrated-reporting-discussion-paper/discussion-paper-submissions/>
- International Integrated Reporting Council [IIRC]. (2013a). *Integrated Reporting*. Retrieved January 15, 2013, from <http://www.theiirc.org/>
- International Integrated Reporting Council [IIRC]. (2013b). *Integrated Reporting Submissions: M-R*. Retrieved January 15, 2013, from <http://www.theiirc.org/discussion-paper/discussion-paper->
- International Organization for Standardization [ISO]. (2013). *About ISO*. Retrieved May 15, 2012, from <http://www.iso.org/iso/home/about.htm><http://www.iso.org/iso/home.html>
- Inzide Commercial (2012). *About Us*. Retrieved June 20, 2012, from <http://inzide.co.nz/AboutUs/tabid/76/Default.aspx>
- Jennings, P., & Zandbergen, P.D. (1995). Ecologically sustainable organizations: An institutional approach. *The Academy of Management Journal*, 20(4), 1015-1052.
- Jepperson, R.L. (1991). Institutions, institutional effects, and institutionalisation. In P.J. DiMaggio & W.W. Powell (Eds.), *The New Institutionalism in Organizational Analysis* (pp. 143-163), Chicago: The University of Chicago Press.
- King, N. (1994). The Qualitative Research Interview. In C. Cassell & G. Symon (Eds.), *Qualitative Methods in Organizational Research: A Practical Guide* (pp. 14-36). SAGE Publications Inc.
- Kolk, A. (2003). Trends in sustainability reporting by the Fortune 250. *Business Strategy and the Environment*, 12, 279-291.
- Kolk, A., Levy, D., & Pinkse, J. (2008). Corporate responses in an emerging climate regime: The institutionalization and commensuration of carbon disclosure. *European Accounting Review*, 17(4), 719-745.
- Kolk, A., & Perego, P. (2010). Determinants of the adoption of sustainability assurance statements: An international investigation. *Business Strategy and the Environment*, 19(3), 182-198.

- Kostova, T., & Roth, K. (2002). Adoption of an organizational practice by subsidiaries of multinational corporations: Institutional and relational effects. *The Academy of Management Journal*, 45(1), 215-233.
- KPMG (2002). *Triple-Bottom-Line Reporting: Guide to Producing an Annual Report*. Auckland, New Zealand: KPMG.
- KPMG International (2008). *KPMG International survey of Corporate Responsibility Reporting 2008*. Retrieved May 18, 2012, from <https://www.kpmg.com/Global/en/Search/Pages/Results.aspx?k=KPMG+2008+survey&du=http%3a%2f%2fwww.kpmg.com%2fglobal%2fenandredirect=false>
- KPMG (2011). *KPMG International survey of Corporate Responsibility Reporting 2011*. Retrieved May 18, 2012, from <http://www.kpmg.com/PT/pt/IssuesAndInsights/Documents/corporate-responsibility2011.pdf>
- KPMG (2013). *Climate Change and Sustainability Services*. Retrieved, June 18, 2013, from <http://www.kpmg.com/NZ/en/services/Advisory/Risk-Compliance/Sustainability-Advisory/Pages/default.aspx>
- Landcare Research (2013). *Publications*. Retrieved June 15, 2013, from <http://www.landcareresearch.co.nz/publications>
- Larrinaga, C., & Bebbington, J. (2001). Accounting change or institutional appropriation? – A case study of the implementation of environmental accounting. *Critical Perspectives on Accounting*, 12(3), 269-292.
- Larrinaga, C., Carrasco, F., Caro, F.J., Correa, C., & Paez, J.M. (2001). The role of environmental accounting in organizational change – An exploration of Spanish companies. *Accounting, Auditing & Accountability Journal*, 14(2), 213-239.
- Larrinaga, C., Carrasco, F., Correa, C., Llena, F., & Moneva, J.M. (2002). Accountability and accounting regulation: The case of the Spanish environmental disclosure standard. *European Accounting Review*, 11(4), 723-740.
- Larrinaga, C. (2007). Sustainability reporting: insights from neoinstitutional theory. In J. Unerman, J. Bebbington, & B. O'Dwyer (Eds.), *Sustainability, Accounting and Accountability* (pp. 150-167). New York: Routledge.
- Laufer, W.S. (2003). Social accountability and corporate greenwashing. *Journal of Business Ethics*, 43(3), 253-261.
- Lawrence, T.B. (2008). Power, Institutions and Organizations. In R. Greenwood, C. Oliver, K. Sahlin & R. Suddaby (Eds.), *The SAGE Handbook of Organizational Institutionalism* (pp. 170-198). SAGE Publications Inc.
- Lee, M-D.P. (2008). A review of the theories of corporate social responsibility: Its evolutionary path and the road ahead. *International Journal of Management Reviews*, 10(1), 53-73.
- Levy, D.L., & Kolk, A. (2002). Strategic responses to global climate change: conflicting pressures on multinationals in the oil industry. *Business and Politics*, 4(3), 275-300.

- Levy, D. L., Brown, H.S., & de Jong, M. (2010). The contested politics of corporate governance: The case of the Global Reporting Initiative. *Business and Society*, 49(1), 88–115.
- Liokadis, G. (2010). Political economy, capitalism and sustainable development. *Sustainability*, 2(8), 2601-2616.
- Livesey, S. (2002). The discourse of the middle ground: Citizen Shell commits to sustainable development. *Management Communication Quarterly*, 15(3), 313-49.
- Living Earth (2012). *Our Story*. Retrieved June 4, 2012, from <http://livingearth.co.nz/our-story>
- McCarthy, M., & Zald, J. (1977). Resource mobilization and social movements: A partial theory. *American Journal of Sociology*, 82(6), 1212-1241.
- Maguire, S., Hardy, C., & Lawrence, T.B. (2004). Institutional entrepreneurship in emerging fields: HIV/AIDS treatment advocacy in Canada. *Academy of Management Journal*, 47(5), 657-679.
- Marshall, S.R., & Brown, D. (2003). Corporate environmental reporting: what's in a metric. *Business Strategy and the Environment*, 12(2), 87-106.
- Meadows, R. (2011). *Big firms join forces for sustainability*. Retrieved June 16, 2013, from <http://www.stuff.co.nz/dominion-post/business/6068663/Big-firms-join-forces-for-sustainability>
- Meyer, J.W. (1977). The Effects of education as an institution. *American Journal of Sociology*, 83(1), 55-77.
- Meyer, J.W., & Rowan, B. (1977). Institutionalized organizations: Formal structure as myth and ceremony. *American Journal of Sociology*, 83(2), 340-363.
- Meyer, J.W., & Rowan, B. (1983). The structure of educational organizations. In J. W. Meyer & W.R. Scott (Eds.), *Organizational environments: Ritual and rationality* (pp. 71-97). Sage Publications.
- Meyer, J.W. & Scott, W.R. (1983). Centralization and the legitimacy problems of local government. In J.W. Meyer & W.R. Scott (Eds.), *Organizational Environments: Ritual and Rationality* (pp. 199-215). Sage Publications.
- Miles, B., & Huberman, A.M. (1984). *Qualitative data analysis: a sourcebook of new methods*. Sage Publications.
- Mills, P. LinkedIn website, n.p. Web. 21 March, 2013.
- Milne, M.J., & Owen, D.L. (1999). European environmental reporting practice sets the standard: Can New Zealand meet the challenge? *Chartered Accountants Journal of New Zealand*, October, 37-40.
- Milne, M.J., Owen, D.L. & Tilt, C.A. (2001) Corporate environmental reporting: Are New Zealand companies being left behind? *University of Auckland Business Review*, 3(2), 24-36.
- Milne, M.J., Tregidga, H., & Walton, S. (2003), The triple bottom line: Benchmarking New Zealand's early reporters, *University of Auckland Business Review*, 5(2), 36-50.

- Milne, M.J., Tregidga, H., & Walton, S. (2006). Playing with magic lanterns: The New Zealand Business Council for Sustainable Development and corporate triple bottom line reporting. *Organization*, 13(6), 801-839.
- Milne, M.J. and Gray, R.H. (2007). Future prospects for corporate sustainability reporting. In J. Unerman, J. Bebbington, & B. O'Dwyer (Eds.), *Sustainability, Accounting and Accountability* (pp. 184-208), New York: Routledge.
- Milne, M.J., Tregidga, H., & Walton, S. (2009). Words not actions! The ideological role of sustainable development reporting. *Accounting, Auditing & Accountability Journal*, 22(8), 1211-1257.
- Milne, M.J., Kuruppu, S., Miller, B. (2011). *NZBCSD Membership and Reporting Data*. Unpublished raw data.
- Milne, M.J. and Gray, R.H. (2013). W(h)ither ecology? The triple bottom line, the Global Reporting Initiative, and corporate sustainability reporting. *Journal of Business Ethics*, 118(1), 13-29.
- Milne, M.J. (2013). Phantasmagoria, sustain-a-babbling and the communication of corporate social and environmental accountability. In J. L. Davison, & R. Craig (Eds.), *The Routledge Companion to Accounting Communication* (pp.135-153). London: Routledge.
- Ministry for the Environment [MfE]. (1997). *The State of New Zealand's Environment*. Retrieved November 11, 2012, from <https://www.mfe.govt.nz/publications/ser/ser1997/>
- Ministry for the Environment [MfE]. (1998). *Summary of Comments made on the KPMG Information Paper Corporate Environmental Reporting*. Wellington: Ministry for the Environment.
- Ministry for the Environment [MfE]. (2007). *Environment New Zealand 2007*: Author.
- Ministry for the Environment [MfE]. (2012). *Resource Management Act*. Retrieved December 12, 2012, from <http://www.mfe.govt.nz/rma/index.html>
- Ministry for the Environment [MfE]. (2013). *The Govt3 programme*. Retrieved June 12, 2013, from <http://www.mfe.govt.nz/issues/sustainable-industry/govt3/>
- Mohr, J.W. (2005). Implicit terrains: Meaning, measurement, and spatial metaphors in organizational theory. In J. Porac, & M. Ventresca (Eds.), *Constructing industries and markets*. New York: Elsevier.
- Moll, J., Burns, J., & Major, M. (2006). Institutional Theory. In Z. Hoque (Ed.), *Methodological Issues in Accounting Research: Theories and Method* (pp. 183-206). London: Spiramus Press Limited.
- Moneva, J.M., Archel, P., & Correa, C. (2006). GRI and the camouflaging of corporate unsustainability. *Accounting Forum*, 30, 121-137.
- Morhardt, J. (2010) 'Corporate social responsibility and sustainability reporting on the Internet'. *Business, Strategy & the Environment*, 19(7), 436-452.

- Najam, A. (1999). World Business Council for Sustainable Development: The Greening of Business or a Greenwash? In H.O. Bergesen, G. Parmann, & O.B, Thommessen (Eds.), *Yearbook of International Co-operation on Environment and Development* (pp. 65-74). London: Earthscan Publications.
- Newell, S., & Clark, P.A. (1990). The importance of extra-organizational networks in the diffusion and appropriation of new technologies: The role of Professional Associations in the United States and Britain. *Science Communication*, 12, 199-212.
- New Zealand Association for Environmental Education [NZAAEE]. (2013). *About Us*. Retrieved June 13, 2013, from <http://www.nzaaee.org.nz/index.asp?pageID=2145880092>
- New Zealand Business Council for Sustainable Development [NZBCSD]. (n.d.). *Business Opportunities and Global Climate Change*. Auckland: Author.
- New Zealand Business Council for Sustainable Development [NZBCSD]. (2001). *Sustainable Development Reporting: Case Studies*. Auckland: Author.
- New Zealand Business Council for Sustainable Development [NZBCSD]. (2002). *Making a difference, Annual Review: 2002*. Auckland: Author.
- New Zealand Business Council for Sustainable Development [NZBCSD]. (2003). *Walking the Talk, Annual Review: 2003*. Auckland: Author.
- New Zealand Business Council for Sustainable Development [NZBCSD]. (2004). *The Journey, Annual Review: 2004*. Auckland: Author.
- New Zealand Business Council for Sustainable Development [NZBCSD]. (2005). *Living within nature's income – preserving nature's capital, Annual Review: 2005*. Auckland: Author.
- New Zealand Business Council for Sustainable Development [NZBCSD]. (2006). *Mainstreaming sustainability: a powerful way forward for business and New Zealand, Annual Review: 2006*. Auckland: Author.
- New Zealand Business Council for Sustainable Development [NZBCSD]. (2007). *Reshaping New Zealand. Powerful forces. New Opportunities, Annual Review: 2007*. Auckland: Author.
- New Zealand Business Council for Sustainable Development [NZBCSD]. (2008). *Low carbon. The new challenge for business, Annual Review: 2008*. Auckland: Author.
- New Zealand Business Council for Sustainable Development [NZBCSD]. (2009). *Growing real green shoes, Annual Review: 2009*. Auckland: Author.
- New Zealand Business Council for Sustainable Development [NZBCSD]. (2010). *Sustainability, Annual Review: 2010*. Auckland: Author.
- New Zealand Business Council for Sustainable Development [NZBCSD]. (2011). *Into the Future, Annual Review: 2011*. Auckland: Author.
- New Zealand Business Council for Sustainable Development [NZBCSD]. (2012). Retrieved June 8, 2012, from: <http://www.nzbcscd.org.nz>

- NZ History (2013). *New Zealand Disasters Timeline*. Retrieved August 12, 2013, from <http://www.nzhistory.net.nz/culture/new-zealand-disasters/timeline>
- New Zealand Institute of Chartered Accountants [NZICA]. (2013a). *Homepage*. Retrieved March 13, 2013, from <http://www.nzica.com/>
- New Zealand Institute of Chartered Accountants [NZICA]. (2013b). *Sustainability*. <http://www.nzica.com/Technical/Sustainability.aspx>
- North and South Magazine (2011). *Resene Innovation in a can*. Retrieved July 11, 2013, from [www.resene.co.nz/pdf/North & South March 2011.pdf](http://www.resene.co.nz/pdf/North_%20South_March_2011.pdf)
- O'Dwyer, B. (2004). Qualitative Data Analysis: Illuminating a Process for Transforming a 'Messy' but 'Attractive' 'Nuisance'. In C. Humphrey, & B. Lee (Eds.), *The Real Life Guide To Accounting Research: A Behind-the-Scenes view of Using Qualitative Research Methods* (pp. 391-408). Elsevier Ltd.
- O'Dwyer, B., & Owen, D. (2005a). Assurance statement practice in environmental, social and sustainability reporting: a critical evaluation. *The British Accounting Review*, 37, 205-229.
- O'Dwyer, B., & Owen, D. (2005b). The construction of a social account: a case study in an overseas aid agency. *Accounting, Organizations and Society*, 30(3), 279-296.
- O'Dwyer, B. (2011). The case of sustainability assurance: Constructing a new assurance service. *Contemporary Accounting Research*. 28(4), 1230-1266.
- Oliver, C. (1991). Strategic responses to institutional processes. *Academy of Management Review*, 16, 145-179.
- Oliver, C. (1992). The antecedents of deinstitutionalization. *Organization Studies*, 13, 563-588.
- O'Reilly, P. (2012, October). Can growth be sustainable? 25 years on from the Brundtland report. *State of the Nation's Environment Address*. Public Address conducted from Lincoln University, Christchurch.
- Othman, R., & Ameer, R. (2009). Corporate social and environmental reporting: Where are we heading? A survey of the literature. *International Journal of Disclosure and Governance*, 6, 298-320.
- Owen, D.L., Swift, T.A., & Bowerman, M. (2000). The new social audits: accountability, managerial capture or the agenda of social champions? *European Accounting Review*, 9(1), 81-98.
- Owen, D. (2008). Chronicles of wasted time?: A personal reflection on the current state of, and future prospects for, social and environmental accounting research. *Accounting, Auditing & Accountability Journal*, 21(2), 240-267.
- Palmer, D., Biggart, N., & Dick, B. (2008). Is the New Institutionalism a Theory? In R. Greenwood, C. Oliver, K. Sahlin & R. Suddaby (Eds.), *The SAGE Handbook of Organizational Institutionalism* (pp. 739-769). SAGE Publications Inc.
- Parker, L.D. (2001). Reactive planning in a Christian bureaucracy. *Management Accounting Research*, 12(3), 321-356.

- Parker, L.D. (2003). Qualitative research in accounting and management: The emerging agenda. *Journal of Accounting and Finance*, 2, 15-30.
- Parker, L.D. (2005). Social and environmental accountability research: a view from the commentary box. *Accounting, Auditing & Accountability Journal*, 18(6), 842-860.
- Patten, D.M. (1992). Intra-industry environmental disclosures in response to the Alaskan oil spill: a note of legitimacy theory. *Accounting, Organizations and Society*, 17(5), 471- 475.
- Pennington, L., & More, E. (2010). Sustainability reporting: Rhetoric versus reality? *Employment Relations Record*, 10(1), 24-39.
- Pfeffer, J. (1981). Organization theory and structural perspectives on management. *Journal of Management*, 17(4), 789-803.
- Pinto, C., Sydelle, de Villers, C. (2012, December). *Do Companies Reduce CSR Disclosures during Recessions?* Paper presented at the A-CSEAR Conference, The University of Waikato, New Zealand.
- Porter, M., & Linde, C. (1995). Toward a new conception of the environment-competitiveness relationship. *The Journal of Economic Perspectives*, 9(4), 97-118.
- Potter, N. (2001). *Walking which talk? A discourse analysis of the New Zealand Business Council for Sustainable Development*. Unpublished Master's Thesis, University of Victoria, Wellington, New Zealand.
- Powell, W.W. (1991). Expanding the Scope of Institutional Analysis. In P.J. DiMaggio & W.W. Powell (Eds.), *The New Institutionalism in Organizational Analysis* (pp. 183-203). Chicago: The University of Chicago Press.
- Powell, W.W., & Colyvas, J.A. (2008). Microfoundations of Institutional Theory. In R. Greenwood, C. Oliver, K. Sahlin & R. Suddaby (Eds.), *The SAGE Handbook of Organizational Institutionalism* (pp. 276-299). SAGE Publications Inc.
- Power, M. (1991). "Auditing and environmental expertise: between protest and professionalisation". *Accounting, Auditing & Accountability Journal*, 4(3), 30-42.
- PricewaterhouseCoopers [PwC]. (2013). *Sustainability Services*. Retrieved February, 16, 2013, from <http://www.pwc.co.nz/todays-challenges/sustainability/sustainability-services/>
- Pure Advantage [PA]. (2012a). *New Zealand's Position in the Green Race*. Retrieved February 18, 2013, from <http://www.pureadvantage.org>
- Pure Advantage [PA]. (2012b). *Green Growth: Opportunities for New Zealand*. Retrieved February 18, 2013, from <http://www.pureadvantage.org>
- Pure Advantage [PA]. (2012c). *Who is backing Pure Advantage?* Retrieved June 11, 2012, from <http://www.pureadvantage.org/our-campaign/trustees/>
- Pure Advantage [PA]. (2013a). *A race has begun. And we are in it*. Retrieved February 18, 2013, from <http://www.pureadvantage.org>

- Pure Advantage [PA]. (2013b). *Case Studies*. Retrieved February 18, 2013, from <http://www.pureadvantage.org/case-studies/>
- Rahaman, A., Lawrence, S., & Roper, J. (2004). Social and environmental reporting at the VRA: Institutionalized legitimacy or legitimation crisis? *Critical Perspectives on Accounting*, 15(1), 35-56.
- Rashid, A., & Lodh, S.C. (2008). The influence of ownership structures and board practices on corporate social disclosures in Bangladesh. *Research in Accounting in Emerging Economies*, 8, 211-237.
- Redclift, M. (1991). The multiple dimensions of sustainable development. *Geography*, 76(1), 36-42.
- Resene (2013). *Who is Resene?* Retrieved January 16, 2013, from <http://www.resene.co.nz/profile.htm>
- Robertson, M., Swan, J., & Newell, S. (1996). The role of networks in the diffusion of technological innovation. *Journal of Management Studies*, 33(3), 333-359.
- Robertson, B. (2012). *Why is the assurance of social and environmental disclosures stalling within New Zealand?* Unpublished Master's Thesis. University of Canterbury, Christchurch, New Zealand.
- Roper, J. (2004). Corporate responsibility in New Zealand. *The Journal of Corporate Citizenship*, 14, 22-25.
- Sanford Limited (2012). *Sustainable Development Report 2012*. Retrieved December 26, 2012, from [http://www.sanford.co.nz/shadomx/apps/fms/fmsdownload.cfm?file\\_uuid=F BAB51E5-65E2-457D-B43E-9634312A1E02&siteName=sanfordfisheries](http://www.sanford.co.nz/shadomx/apps/fms/fmsdownload.cfm?file_uuid=F BAB51E5-65E2-457D-B43E-9634312A1E02&siteName=sanfordfisheries)
- Sanford Limited (2012). *Welcome to Sanford*. Retrieved June 16, 2012, from <http://www.sanford.co.nz>
- Scapens, R. (1994). "Never mind the gap towards an institutional perspective on management accounting practice". *Management Accounting Research*, 5, 301-321.
- Schmidheiny, S. (1992). *Changing Course: A Global Business Perspective on Development and the Environment*. Cambridge Mass: MIT Press.
- Scoop. (2012). *Sustainable Business Council appoints executive director* [Press Release]. Retrieved January 15, 2013, from <http://www.scoop.co.nz/stories/BU1204/S00808/sustainable-business-council-appoints-executive-director.htm>
- Scott, R.W. (1991). Unpacking Institutional Arguments. In P.J. DiMaggio & W.W. Powell (Eds.), *The New Institutionalism in Organizational Analysis* (pp. 164-182). Chicago: The University of Chicago Press.
- Scott, R.W., & Meyer, J.W. (1992). The Organization of Societal Sectors. In J.W. Meyer, & W. R. Scott (Eds.), *Organizational Environments: Ritual and Rationality* (Updated Ed, pp. 129-154). Sage Publications Inc.
- Scott, R.W. (1995). *Institutions and Organizations*. Sage Publications Inc.
- Scott, R.W. (2001). *Institutions and Organizations*, 2<sup>nd</sup> Ed. Sage Publications Inc.

- Scott, R.W. (2004a). Reflections on a half-century of organizational sociology. *Annual Review of Sociology*, 30, 1-21.
- Scott, R.W. (2004b). Institutional theory: Contributing to a theoretical research paradigm. In K.G. Smith, & M.A. Hitt (Eds.), *Great minds in Management: The process of theory development* (Ch 22). Oxford University Press.
- Scott, R.W. (2009). Institutional Theory: Contributing to a Theoretical Research Program. In K.G. Smith, & M.A. Hitt (Eds.), *Great Minds in Management The Process of Theory Development* (pp. 460-485). Oxford University Press.
- Seidl, I. (2000). Steps to endorse sustainability: Thoughts on a council on sustainable development. *International Journal of Social Economics*, 27, 768-787.
- Seidman, W.H. (1983). Goal ambiguity and organizational decoupling: The failure of rational systems program implementation. *Educational Evaluation and Policy Analysis*, 5(4), 399-413.
- Seo, M.G., & Creed, D.W.E. (2002). Institutional contradictions, praxis, and institutional change: A dialectical perspective. *Academy of Management Review*, 27(2), 222-247.
- Sethi, S.P. (2003). Globalisation and the good corporation: a need for proactive co-existence. *Journal of Business Ethics*, 43(1/2), 21-31.
- Shrivastava, P. (1995). The role of corporations in achieving ecological sustainability. *The Academy of Management Review*, 20(4), 936-960.
- Simnett, R., Vanstraelen, A., & Chua, W. F. (2009). Assurance on sustainability reports: An international comparison. *The Accounting Review*, 84(3), 937-967.
- Simon, H. (1945). *Administrative Behavior*. New York: Free Press.
- Simpson, M., Taylor, N., & Barker, K. (2004). BSE environmental responsibility in SMEs does it deliver competitive advantage? *Business Strategy and the Environment*, 13(3), 156-171.
- Smellie, P. (2012). *NZ, Australia part company as NZ abandons Kyoto Protocol*. Retrieved January 15, 2013, from <http://business.scoop.co.nz/2012/11/09/nz-australia-part-company-as-nz-abandons-kyoto-protocol/>
- Springett, D. (2003). Business conceptions of sustainable development: A perspective from critical theory. *Business, Strategy and the Environment*, 12, 71-86.
- Stigson, B., & Rendlen, B. (2012). Business Drivers of Sustainable Development: The Role and Influence of the WBCSD, a Global Business Network. In F. Wijen, K. Zoeteman, J. Pieters, & P. van Seters (Eds.), *A Handbook of Globalisation and Environmental Policy: National Government Interventions in a Global Arena* (2<sup>nd</sup> Ed, pp. 641-662). Edward Elgar Publishing Ltd.
- Stubbs, W., Higgins, C., & Milne, M.J. (2013). Why do companies not produce sustainability reports? *Business Strategy and the Environment*, 22(7), 456-470.
- Suchman, M. (1995). Managing legitimacy: Strategic and institutional approaches. *Academy of Management Review*, 20(3), 571-610.

- SustainAbility (2013a). *Company*. Retrieved February 16, 2013, from <http://www.sustainability.com/company>
- SustainAbility (2013b). *SustainAbility services*. Retrieved October 19, 2013, from <http://www.sustainability.com/services>
- Sustainability Integrated Guidelines for Management Project [SIGMA]. (2013). *The SIGMA project*. Retrieved October 19, 2013, from <http://www.projectsigma.co.uk>
- Sustainable Business Council [SBC]. (2012a). *The Report: Business as Usual is not an Option. Vision 2050*. Retrieved November 20, 2012, from [http://www.sbc.org.nz/resources-and-tools/reports?root\\_node\\_selection=57086&search\\_page\\_57376\\_sort\\_by=0&search\\_page\\_57376\\_submit\\_button=GO&current\\_result\\_page=1&submitted\\_search\\_category=&mode=results](http://www.sbc.org.nz/resources-and-tools/reports?root_node_selection=57086&search_page_57376_sort_by=0&search_page_57376_submit_button=GO&current_result_page=1&submitted_search_category=&mode=results)
- Sustainable Business Council [SBC]. (2013a). *Membership*. Retrieved January 10, 2013, from <http://www.sbc.org.nz/membership>
- Sustainable Business Council [SBC]. (2013b). *SBC Sustainable Development Principles*. Retrieved January 10, 2013, from <http://www.sbc.org.nz/membership/principles>
- Sustainable Business Council [SBC]. (2013c). *About*. Retrieved January 10, 2013, from <http://www.sbc.org.nz/about>
- Sustainable Business Council [SBC]. (2012d). *New Zealand Sustainability Reports*. Retrieved November 15, 2012, from <http://www.sbc.org.nz/resources-and-tools/reports/nz-sustainability-reports>
- Sustainable Business Forum [SBF]. (2010). *Prospectus*. Retrieved January 10, 2013, from <http://www.businessnz.org.nzcontent/SustainableBusinessForumProspectus.pdf>
- Sustainable Business Network & Ministry for the Environment [SBN & MfE]. (2003). *Enterprise<sup>3</sup> Your Business and the Triple Bottom Line Economic, Environmental, Social Performance*. Auckland: Author.
- Sustainable Business Network [SBN]. (2006). *Sustainable Business Review*. Auckland: Author.
- Sustainable Business Network [SBN]. (2008). *2008 Sustainable Business Review*. Auckland: Author.
- Sustainable Business Network [SBN]. (2013a). *Helping business succeed through sustainability*. Retrieved January 12, 2013, from <http://www.sustainable.org.nz/>
- Sustainable Business Network [SBN]. (2013b). *Member Directory*. Retrieved January 10, 2013, from <http://www.sustainable.org.nz/index8fa8.html?page=mdn>
- Sustainable Business Network [SBN]. (2013c). *About the Sustainable Business Network*. Retrieved January 10, 2013, from <http://sustainable.org.nz/who-is-sustainable-business-network/about-sbn/>
- Swan, J.A., & Newell, S. (1995). The role of professional associations in technology diffusion. *Organization Studies*, 16, 847-874.

- Swidler, A. (1986). Culture in action: Symbols and strategies. *American Sociological Review*, 51(2), 273-286.
- The Economist (2010). *Global trends in sustainability performance management: A report from the Economist Intelligence Unit Sponsored by SAP*.
- The Guardian (2011). *WBCSD announces new president*. Retrieved January 11, 2013, from <http://www.guardian.co.uk/sustainable-business/wbcds-announces-new-president-peter-bakker>
- The Natural Step (2013). *About Us. Steps toward sustainability*. Retrieved November 13, 2013, from <http://www.thenaturalstep.org/en/new-zealand/about-us>
- The Prince's Charities. (2013). Retrieved December 10, 2013, from <http://www.princeofwales.gov.uk/the-prince-of-wales/the-princes-charities>
- The Warehouse (2010). *Community and Environment Report*. Retrieved July 8, 2012, from [http://www.thewarehouse.co.nz/is-bin/intershop.static/WFS/TWL-Site/TWL-B2C/en\\_NZ/content/Society%20and%20Environment/Reports/candereport2010.pdf](http://www.thewarehouse.co.nz/is-bin/intershop.static/WFS/TWL-Site/TWL-B2C/en_NZ/content/Society%20and%20Environment/Reports/candereport2010.pdf)
- The Warehouse (2012). *History*. Retrieved July 8, 2012, from <http://www.thewarehouse.co.nz/red/content/homepage/about-us/history>
- Tilt, C. (1994). The influence of external pressure groups on corporate social disclosure. *Accounting, Auditing & Accountability Journal*, 7(4), 47-72.
- Tilt, C. (2007). External stakeholders' perspectives on sustainability reporting. In J. Unerman, J. Bebbington, & B. O'Dwyer (Eds.), *Sustainability, Accounting and Accountability* (pp. 104-126). New York: Routledge.
- Tolbert, P.S. (1985). Resource dependence and institutional environments: Sources of administrative structure in institutions of higher education. *Administrative Science Quarterly*, 30, 1-13.
- Tolbert, P.S., & Zucker, L.G. (1983). Institutional sources of change in the formal change structure of organizations: The diffusion of civil service reform, 1880-1935. *Administrative Science Quarterly*, 28(1), 22-39.
- Tonkin & Taylor (2013). *Home*. Retrieved November 2, 2013, from <http://www.tonkin.co.nz/index.htm>
- Tregidga, H., & Milne, M.J. (2006). From sustainable management to sustainable development: a longitudinal analysis of a leading New Zealand environmental reporter. *Business, Strategy and the Environment*, 15(4), 219-241.
- Tregidga, H., Kearins, K., & Milne, M.J. (2013). The politics of knowing "organizational sustainable development". *Organization and Environment*, 26(1), 102-129.
- Tregidga, H., Milne, M.J., & Kearins, K. (in press). (Re)presenting 'sustainable organizations'. *Accounting, Organizations and Society*.

- Unerman, J. (2007). Stakeholder engagement and dialogue. In J. Unerman, J. Bebbington, & B. O'Dwyer (Eds.), *Sustainability, Accounting and Accountability* (pp. 86-103), New York: Routledge.
- United Nations Environment Programme Industry and Environment [UNEPIE]. (1994). *Company Environmental Reporting: A measure of the progress of business and industry towards sustainable development*. Technical Report No.24, Paris: United Nations Environment Programme Industry and Environment.
- United Nations World Commission on Environment and Development [UNWCED]. (1987). *Our Common Future*. The Brundtland Report. Oxford University Press.
- United Nations Economic and Social Commission for Asia and the Pacific [UNESCAP]. (2009). *Green Industry*. Retrieved July 12, 2012, from [http://www.unescap.org/search/google\\_result/index.asp?cx=001175656554378469195%3Alixn66ffig&cof=FORID%3A11&ie=UTF-8&q=Green+Industry+Policy+Matrix&siteurl=www.unescap.org%2Fpublications%2Findex.asp&ref=www.unescap.org%2F65%2F&ss=6360j1823296j34&sa.x=0&sa.y=0](http://www.unescap.org/search/google_result/index.asp?cx=001175656554378469195%3Alixn66ffig&cof=FORID%3A11&ie=UTF-8&q=Green+Industry+Policy+Matrix&siteurl=www.unescap.org%2Fpublications%2Findex.asp&ref=www.unescap.org%2F65%2F&ss=6360j1823296j34&sa.x=0&sa.y=0)
- United Nations Secretary-General's High-level Panel on Global Sustainability [United Nations]. (2012). *Resilient People Resilient Planet A Future Worth Choosing*. Retrieved December 11, 2012, from <http://www.un.org/gsp/gsp/report>
- University of Canterbury (2011). *Technology aids sustainable conference*. Retrieved January 18, 2013, from <http://www.mech.canterbury.ac.nz/rss/news/?feed=news&articleId=71>
- URS Corporation (2013). *URS*. Retrieved November 15, 2013, from <http://www.urs.com/>
- Utting, P. (2005). Corporate responsibility and the movement of business. *Development in Practice*, 15(3/4), 375-388.
- Waikato Management School [WMS]. (2012). *Our Purpose*. Retrieved July 10, 2012, from <http://cms.mngt.waikato.ac.nz/aboutus/OurPurpose.aspx>
- Warren, R.L. (1967). The interorganizational field as a focus for investigation. *Administrative Science Quarterly*, 12(3), 396-419.
- Watercare (2012a). *About Watercare*. Retrieved 15 July, 2012, from <http://www.watercare.co.nz/about-watercare/about-watercare/Pages/default.aspx>
- Watercare (2012b). *Results for awards*. Retrieved 15 July, 2012, from <http://www.watercare.co.nz/pages/results.aspx?k=awards&cs=This%20Site>
- Weick, K.E. (1995). *Sensemaking in Organizations (Foundations for Organizational Science)*. SAGE Publications Inc.
- Welford, R. (1997). *Hijacking Environmentalism: Corporate Responses to Sustainable Development*. Earthscan Publications Ltd.

- Westphal, J., & Zajac, E. (1994). Substance and symbolism in CEOs incentive plans. *Administrative Science Quarterly*, 39(3), 367-390.
- Wooten, M., & Hoffman, A.J. (2008). Organizational Fields: Past, Present and Future. In R. Greenwood, C. Oliver, K. Sahlin, & R. Suddaby (Eds.), *The SAGE Handbook of Organizational Institutionalism* (pp. 130-149). SAGE Publications Inc.
- World Bank Group (2003). Race to the top: Attracting and enabling global sustainable business. *Business Survey Report*. Retrieved July 14, 2012, from <http://businessinnovationfacility.org/forum/topics/race-to-the-top-attracting>
- World Business Council for Sustainable Development [WBCSD]. (n.d.). *From Challenge to Opportunity. The role of business in tomorrow's society*. A paper from the Tomorrow's Leaders group of the World Business Council for Sustainable Development.
- World Business Council for Sustainable Development [WBCSD]. (2002). 'Sustainable development reporting: striking the balance'. Retrieved January 6, 2013, from <http://www.wbcSD.org/pages/edocument/edocumentdetails.aspx?id=144&noSearchContextKey=true>
- World Business Council for Sustainable Development [WBCSD]. (2013). *Business solutions for a sustainable world*. Retrieved February 11, 2013, from <http://www.wbcSD.org/home.aspx>
- Wright, H.A. (2011, December). *Membership decline of a sustainability-focused organisation: The case of the New Zealand Business Council for Sustainable Development*. Paper presented at the A-CSEAR Conference, University of Tasmania, Australia.
- Zilber, T.B. (2008). The Work of Meanings in Institutional Processes and Thinking. In R. Greenwood, C. Oliver, K. Sahlin & R. Suddaby (Eds.), *The SAGE Handbook of Organizational Institutionalism* (pp. 15-170). SAGE Publications Inc.
- Zoeteman, K., & Harkink, E. (2012). Collaboration of National Governments and Global Corporations in Environmental Management. In F. Wijen, K. Zoeteman, & J. Pieters (Eds.), *A Handbook of Globalisation and Environmental Policy: National Government Interventions in a Global Arena* (pp. 57-88). Edward Elgar Publishing Ltd.
- Zucker, L. G. (1977). The role of institutionalization in cultural persistence. *American Sociological Association*, 42(5), 726-743.
- Zucker, L.G. (1987). Institutional theories of organization. *Annual Review of Sociology*, 13, 443-464.
- Zucker, L.G., & Darby, M.R. (2009). An Evolutionary Approach to Institutions and Social Construction: Process and Structure. In K.G. Smith & M.A. Hitt (Eds.), *Great Minds in Management The Process of Theory Development* (pp. 547-572). Oxford University Press.

## Appendices

### Appendix A - Detailed Profiles of Research Participants - SBI Members

The aim of Appendix A is to give a detailed profile of each SBI member included in this research. This overview enables the reader to have a greater understanding of each SBI member's involvement in sustainability-related practices; specifically SE reporting and better understand their field interactions.

These profiles are organised by SBI members' involvement in SE reporting. The first group includes SE reporters, SBI members that consistently publish external SE reports. The second group, non-consistent SE reporters include SBI members that may have sporadically disclosed external SE information, may disclose limited external SE information, may disclose SE information internally or do not appear to disclose any SE information.

#### Social and Environmental Reporters

*Watercare Services Limited* is a public sector organisation that supplies water to the city of Auckland and is owned by the Auckland Council (Watercare, 2012a). Watercare was a founding member of NZBCSD and is currently a member of the SBC (SBC, 2013a). Watercare does not appear to be affiliated with PA and are not listed as a member of the SBN<sup>68</sup>. Watercare have produced standalone SE reports since 2000 but in 2009 included their SE disclosures within their annual reports. Their 2011 and 2012 SE reports are displayed on the SBC website (SBC, 2012b). In 2012, Watercare engaged ERM New Zealand Limited to assure their SE report against the GRI G3.1 principle<sup>69</sup>. Watercare's 2012 report achieved an A+ application level (Watercare, 2012b). Watercare has consistently been seen as a leading reporter (Chapman and Milne, 2004; Tregidga and Milne, 2006) and have won several reporting awards (Milne et al., 2003). In 2010, Watercare were recognised by the ACCA New Zealand Sustainability Reporting Awards for excellence in corporate reporting – 'Best Report in the Energy and Utilities Sector' (Watercare, 2012b).

---

<sup>68</sup> The Auckland Council owns Watercare Services Limited and is a member of the SBN.

<sup>69</sup> GRI G3.1 has now been superseded by GRI G4 (GRI, 2013a).

*Sanford Limited* is a large publicly-listed company that harvests, processes and markets seafood (Sanford, 2012). This company was a founding member of the NZBCSD and is currently a member of the SBC. Sanford are not a member of the SBN and do not appear to be affiliated with PA. In 2000, Sanford started to include environmental disclosures in their annual report. In 2001, Sanford took part in the NZBCSD case study as a company that had “begun the SDR process” (NZBCSD, 2001, p. 3). Since this time, Sanford has consistently published standalone SE reports. Sanford’s 2011 and 2012 SE reports are displayed on the SBC website (SBC, 2012b). KPMG conducted limited assurance of Sanford’s 2012 SE report. This SE report was assessed against the GRI G3.1 achieving a B+ application level (Sanford Limited, 2011).

*The Warehouse Group* is a New Zealand-owned retailing company, founded in 1982 by Sir Stephen Tindall (The Warehouse, 2012). Sir Stephen Tindall was a Co-Founder and Chairman of the NZBCSD and is currently a Chair of the Climate Change Leadership Forum and Council Member of the WBCSD. The Warehouse is currently a member of the SBC but not the SBN and Sir Stephen Tindall is a trustee of PA (PA, 2012c). The Warehouse have been involved in the Annual Survey of Corporate Environmental Responsiveness, The Natural Step, Redesigning Resources conference. This company supported the Environmental Choice eco-labelling scheme and ongoing involvement in community initiatives (The Warehouse, 2012). The Warehouse has received recognition for its focus on communities and environment from various organisations including the FTSE4 Good, Greenpeace and the World Retail Association (The Warehouse, 2012). The Warehouse included limited environmental disclosure within their annual reports in 1999 and 2000 and in 2001 and took part in the NZBCSD case study as a company that had “begun the SDR process” (NZBCSD, 2001, p. 3). From 2001 until 2010, the Warehouse produced standalone SE reports. The 2010 SE report displayed on The Warehouse website reported against the GRI G3.1 guidelines with limited external assurance by PricewaterhouseCoopers (The Warehouse, 2010). The Warehouse 2011 Community and Environment Report, published in 2012, is displayed on the SBC website (SBC, 2012b). This SE report includes limited assurance by PricewaterhouseCoopers assessing GHG emissions data against the GRI G3.1 guidelines but not declaring an application level (SBC, 2012b).

*Inzide Commercial Limited* is the New Zealand partner to Interface Agencies<sup>70</sup>, specialising in “innovative sustainable interiors” (Inzide Commercial, 2012). The central philosophy and business objective of this organisation is ‘sustainability’. The related policy and strategy is based from the Natural Step framework. Inzide joined the NZBCSD in 2001 and was involved in the 2001 case study but had “not begun planning for SDR” (NZBCSD, 2001, p. 3). Inzide have been a member of the SBN since 2001, belong to the SBC but do not appear to be affiliated with PA. Inzide have been reporting SE information since 2001, through website disclosures, including relevant recycling/reuse information, carbon reduction information and sustainability key performance indicators. Inzide illustrate transparency through displaying Environmental Product Declarations and third party verifications including GreenTag, GHG Protocol and carboNZero certification, being carbon neutral since 2007. Inzide’s products are certified through ISO. Inzide is a member of the New Zealand Green Building Council and sponsored an Interior Fit Out tool and various events (Inzide, 2012).

#### **Non-Consistent Social and Environmental Reporters**

*Hubbard Foods Limited* established in 1990 by Dick and Diana Hubbard with the purpose of making ‘good food’ – specifically breakfast cereals. This company also has a history of involvement in community projects and charities (Hubbards, 2013). Hubbard Foods were a founding member of the NZBCSD involved in the case study having “begun the SDR process” (NZBCSD, 2001, p. 3). This company was also a founding member of the SBN, following the merger of the NZ Business for Social Responsibility (BSR) with the Auckland Environmental Network (AEN) in 2002<sup>71</sup>. Hubbard Foods left the SBC in 2012 and considering the long-standing membership history this raised the question as to whether tightening up the SE reporting practices of SBC members was the reason. Hubbard Foods still maintain membership of the SBN but do not appear to have any affiliation with PA. Hubbard Foods have produced

---

<sup>70</sup> Ray Anderson established Interface Agencies in 1973. Their global SE reporting information is displayed within annual reports and on their website. Interface Agencies is based in Auckland, New Zealand (Inzide Commercial, 2012).

<sup>71</sup> In 1998, Dick Hubbard formed and was the Chair of the New Zealand Business for Social Responsibility (Hubbards, 2013). Rachel Brown was the CE of the AEN and this organisation merged with the BSR to form the SBN in 2002 (SBN 2013c).

two external SE reports, 2001 and 2007, but have not consistently published external SE reports.

*3R Group* is a privately-owned company founded in 2004 by Graeme Norton and Bruce Emerson (3R, 2013). This company designs, implements and manages Product Stewardship programmes - innovative solutions to persistent waste stream problems. 3R joined the NZBCSD in 2008 and is currently a member of the SBC. Graeme Norton is currently the Deputy Chair of the SBC and chairs the flagship ‘*Vision 2050*’ for New Zealand project. Since 2010, Graeme Norton has been the SBC delegate to the annual meetings of the WBCSD and he is involved in the working group on Sustainable Consumption and Value Chains. 3R is a member of the SBN and is affiliated with PA through displaying a case study on PA website (PA, 2013b). 3R gained ISO 14001 certification in 2009 and has achieved the following sustainability awards: Resene PaintWise – Winner (Green Ribbon award from the Minister for the Environment), 2007 3R Sustainable Innovation Award (Central Region – Sustainable Business Network Awards), 2010 NZI Sustainable Business Award, 2011 Sustainability 60 Award (Finalist in the Environment Community and Overall Medium Business categories), 2012 Agrecovery Rural Recycling – Winner Taranaki Regional Council Environmental Awards (3R Group, 2012). However, these awards are for sustainability-related practices, as 3R have not yet produced any external available SE reports.

*Resene Paints Limited* is a large privately-owned New Zealand company established in 1946 (Resene, 2013). Resene has been manufacturing paint since their establishment in 1946. The Resene vision reads, “To be respected as an ethical and sustainable company and acknowledged as the leading provider of innovative paint and colour technology” (Resene, 2013). In 1996, Resene launched their comprehensive range of Environmental Choice products – the majority bearing the ‘big tick’ logo (two new patented products, low-odour products and waterborne enamels). Resene has ISO 9001 (Telarc SAI) accreditation and launched their PaintWise paint and paint packaging recovery program with 3R in 2004; they jointly own a patent on the technology. Furthermore, another member, Hobsonville, benefits from paint recycled through this initiative. In 2009, Resene won research and development funding, up to one million dollars, from Industrial Research Limited in

order to develop paint based on sustainable ingredients (North and South, 2011). Resene belonged to the NZBCSD in 2008 and 2009. The company is currently a member of the SBN and is affiliated with PA through displaying a case study on their website (PA, 2013b). This company has won numerous sustainability-related awards since 2005. These include 2010 Sustainable 60 the Marketplace award; 2010 Sustainable Business Network, Sustainable Business of the Year Award and Trailblazer awards; 2010 Green Ribbon award by the Ministry for the Environment; 2009 Gold Awards, Green Gold award for sustainability and Eco winner of the Industrial Research Ltd's 'What's Your Problem New Zealand'? Competition; 2008 two Trailblazer awards; 2008 Green Ribbon award by the MfE; 2006 Rodney WasteWise award, finalist in the SBN awards, and Highly Commended in Waikato Sustainable Business Awards; 2005 Business Environmental Leadership Award and an Award for Excellence in Environmental Packaging Awards. (Danusia Wypych: presented for Resene - "Industrial ecology in action" at the Signs of Change National e-Conference in November 2010 hosted at the University of Canterbury (University of Canterbury, 2011). However, these awards are for sustainability-related practice as 3R have not produced externally available SE reports.

*Waikato Management School* aims to be seen as a "leading school for sustainable business within three to five years" (WMS, 2012). This organisation joined the NZBCSD in 2005 and is a strategic partner – currently with the SBC and a Gold Foundation member of the SBN (WMS, 2012). The Waikato Management School does not appear to be affiliated with PA but are a member of the New Zealand Association for Environmental Education (NZAEE)<sup>72</sup> (WMS, 2012). Waikato Management School's Centre for Corporate and Executive Education and Management Research Centre are ISO9001 accredited. However, there are no external SE reports produced by the Waikato Management School.

*Beca Group Limited* is an employee owned engineering and consultancy business (Beca, 2012). Beca Limited (New Zealand) joined the NZBCSD in 2006 and acknowledges this membership on their website. They display a document titled "Environmental Commitment" which includes a statement regarding their

---

<sup>72</sup> The NZAEE works towards environmental education initiatives both regionally and nationally (NZAEE, 2013).

commitment to the “principles of sustainable development” (Beca, 2012). Beca are members of the SBC and display a case study on the website of PA (PA, 2013b). However, they are not members of the SBN. This company offers services with an environmental focus, such as Green Buildings, Land Contamination Management, Air Quality Assessment and Reporting and Climate Change and Carbon Management. These are further discussed within the Case Studies displayed on PA website (PA, 2013b). Beca carry out projects within the community with a focus on sustainability. Beca have won a number of sustainability-related awards including: in 2011, the Singapore Green Building Council Awards for the Green Engineer of the Year, the New Zealand Engineering Excellence Award – Sustainability and Clean Technology and in 2011 two Sustainable60 awards the overall large business and environment award (PA, 2013b). Beca’s public involvement in sustainability-related practices does not extend to publishing externally available SE reports in New Zealand.

*Living Earth Limited* processes organic waste, supplying compost within New Zealand (Living Earth, 2012). This organisation was a founding member of the NZBCSD and is currently a member of the SBC. Living Earth does not belong to the SBN and does not appear to have affiliations with PA. This organisation is 50 percent owned by Transpacific Waste Management a company listed on Australian stock exchange. Living Earth supports environmental groups through a number of community projects but does not produce external SE reports (Living Earth, 2012).

*Fonterra Cooperative Group Limited*<sup>73</sup> has been producing milk in New Zealand for the last 140 years (Fonterra, 2013). This organisation joined the NZBCSD in 2002 and currently belongs to the SBC. Fonterra is not a member of the SBN and does not appear to be affiliated with PA. Fonterra’s website displays sustainability information including an environmental policy, which focuses on water; the Dairy and Clean Streams Accord (superseded in 2012 by the “Sustainable Dairying: Water Accord) and their partnership with the Department of Conservation “Working Together to Care for New Zealand’s Waterways” (Fonterra, 2013). There are business connections between Fonterra and 3R through the Agrecovery programme (managing

---

<sup>73</sup> In 2001, Fonterra was formed from a merger of New Zealand Dairy Group and Kiwi Co-operative Dairies along with the New Zealand Dairy Board. Fonterra has recently listed on the New Zealand and Australian stock exchanges (Gray, 2012).

on-farm waste); Fonterra is a Trustee of this programme. Fonterra displays involvement in a number of community related projects including “Milk for Schools”, “KickStart Breakfast”, “Foodbank Australia”, “Grass Roots Fund”, “Catchment Care” supporting earthquake orphans, and a partnership with “ChildFund” as well as “Soong Ching Ling Foundation” (Fonterra, 2013). The SE reporting practices of Fonterra have been inconsistent with limited environmental disclosures in their annual reviews in 2002, 2003 and 2006. The University of Canterbury database records Fonterra producing standalone SE reports from 2007-2009 but these are not publicly accessible documents (Milne et al., 2011). Since 2009, the annual reviews have reverted back to including only limited environmental disclosures. There are some metrics related to water usage, waste outputs and carbon emissions in Fonterra’s 2012 Annual Review but this information is not assured (Fonterra Cooperative Group Limited, 2012). The format, amount and availability of environmental disclosures make Fonterra’s SE reporting practices non-consistent.

### **Summary of Research Participants**

This overview presented background information from which to understand research participants’ membership history and involvement in sustainability-related practices, specifically SE reporting. Furthermore, and partly through noting interactions between and among SBI members and other field players, this context provides an understanding of potential isomorphic pressures on SE reporting practice.

## Appendix B - Players in the Organisational Field

Appendix B analyses background information relating to players in the organisational field with the potential to institutionalise the practice of SE reporting. The roles, interactions and positions of these players in the field are explored as they offer potential to exercise various forms of isomorphic pressure on business entities' SE reporting practices. This appendix is structured longitudinally and the players are grouped as follows: 12 international players, seven national players and five, organisations, or groups of organisations, filling regulatory or standard-setting roles.

### International Players

*The Prince of Wales Charitable Foundation* established in 1979 by the HRH Prince of Wales. The Charitable Foundation incorporates a commercial arm and income earned from this supports targeted national and international causes. The values of this foundation are harmony and sustainability with the mission to “to transform lives and build sustainable communities” (The Prince’s Charities, 2013). This includes making grants with a social and environmental focus, and supporting initiatives and projects fitting with these values. For example, and according to findings in the ‘*Cass Report*’, the social capital in Burnley, United Kingdom, is significantly improved following the “Making a Difference” program (Grant, 2011). This charitable foundation reflects potential normative influence on social and environmental projects both locally and globally, in part through the reputation and respect people have for the founder as noted by the popular press and evidenced through local community support. These projects offer potential mimetic pressure on other involved players.

*SustainAbility* was established, in 1987, by John Elkington and Julia Hailes. The company vision encompasses “a just and sustainable world for present and future generations” (SustainAbility, 2013a). Since 1994 SustainAbility have partnered with United Nations Environmental Programme (UNEP) on various programmes and publications including the Global Reporters Programme, which benchmarked corporate sustainability reporting every four years from 1994 – 2006 (Milne et al., 2003). SustainAbility works with businesses towards sustainability solutions, recognising the unique role of business in this space. Services for clients include: identifying risks, stakeholder engagement and strategic development, with the goal of integrating sustainability within organisations’ business models (SustainAbility,

2013b). SustainAbility also has a network of partners within the organisational field. The services SustainAbility offers, the well-known founders, and connections within the field, illustrate SustainAbility's potential to influence sustainability-related practices, particularly through normative and mimetic pressures.

*The Natural Step* was founded in 1989 and is an international not-for-profit organisation with a vision of "creating a sustainable society" (The Natural Step, 2013). The goal of The Natural Step encompasses developing business organisations' strategies towards sustainability, underpinned by a "science based model" (The Natural Step, 2013). This organisation has published a number of books on the topic of sustainability and sustainable development for communities and businesses. In 2000, the Natural Step established in New Zealand, launching a pilot program with a number of well-known New Zealand businesses and organisations<sup>74</sup>, highlighting potential mimetic pressure. In New Zealand, the Natural Step is a service-based organisation employing a number of accredited advisors, including Simon Harvey and Lin Roberts. The Natural Step has a holistic and strategic approach involving long-standing advisors and involvement with organisations, highlighting their potential to mimetically and normatively influence sustainability-related practices, including SE reporting.

In 1991, the *Association of Chartered Certified Accountants* (ACCA) established the UK Environmental Reporting Awards. These awards were renamed Awards for Sustainability Reporting in 2001 (Larrinaga, 2007). The ACCA Sustainability Reporting awards are held in various countries around the world (including in New Zealand between 2002 and 2011). ACCA aims to promote transparency through organisation's communication of their social and environmental impacts (ACCA, 2013) and pressuring assurance adoption (Robertson, 2012). The judging criteria utilised by ACCA include performance indicators, third party verification and stakeholder involvement with a specific theme utilised for each year's awards (Tilt, 2007). Furthermore, ACCA publishes shortlists from judges' reports, with key recommendations. Organisations display awards they 'win' on their websites in order

---

<sup>74</sup> Macpac, Tait Electronics, The Christchurch City Council, Orion Network Ltd, Landcare Research, The Open Polytechnic of New Zealand, Phoenix Organics and The Warehouse (The Natural Step, 2013).

to attain or retain reputation, credibility, and legitimacy with the potential to normatively and mimetically influence other organisations' SE reporting practices. Furthermore, utilising external verification as an example, these awards have been influential through "codifying values and norms of SR [sustainability reporting]" (Larrinaga, 2007, p. 159) highlighting a potentially coercive pressure.

*KPMG* has been undertaking triennial surveys on corporate responsibility (CR) reporting since 1993 (KPMG, 2011). The published survey data "provides a definitive snapshot of the evolving state of CR reporting...deliver[ing] unprecedented insight into national, global and industry reporting trends" (KPMG, 2011, p. ii). *KPMG* is a large professional services company set up as an international cooperative. The latest survey reflects the CR reporting trends of 3,400 companies from 34 countries, including the largest 250 global companies<sup>75</sup>. The survey provides a benchmark and offers key insights, offering valuable CR reporting information that companies can choose to utilise. By documenting a survey of this size and comprehensiveness, as well as *KPMG*'s position as a business advisor, has the potential through normative and mimetic pressure, to influence companies and countries in the area of CR reporting<sup>76</sup>. Furthermore, disclosing the SE reporting practices of large companies and countries has drawn attention to those business entities that are engaged in SE reporting and those that are not, highlighting the potential of coercive pressure.

The *WBCSD* formed in 1995 and claims to ..."play a leading advocacy role for business; leveraging strong relationships with stakeholders, it helps drive debate and policy change in favour of sustainable development solutions" (WBCSD, 2013). This organisation is a CEO-led membership-based, internationally-networked business organisation comprising 60 national and regional business councils and partner organisations (WBCSD, 2013). Stephan Schmidheiny was involved in the establishment of the *WBCSD*. He is a Swiss businessman and billionaire and was invited by Maurice Strong (the then Secretary General of the 1992 Rio Earth Summit), to be his principal advisor for business and industry and lead business participation at the 1992 Earth Summit. This led to the publication of Schmidheiny's

---

<sup>75</sup> This information is based on the Fortune Global 500 ranking.

<sup>76</sup> This is also likely to result in economic benefits for *KPMG* through their assurance services.

book – *‘Changing Course: A Global Business Perspective on Development and the Environment’* (Schmidheiny, 1992). Bjorn Stigson was the President of the WBCSD from 1995 until the end of 2011 and is currently the Honorary Chairman. Stigson serves on advisory committees including the Dow Jones Sustainability Index and the GRI. Peter Bakker is the current President of the WBCSD and is noted as having a unique set of skills, namely he combines recognised business acumen with a deep understanding of, and commitment to, sustainability issues" (The Guardian, 2011).

In 2001, the WBCSD in conjunction with the World Resources Institute (WRI) published *‘The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard’* in order to standardise the measurement of GHG emissions for tackling climate change (GHG, 2013). This standard was adopted by the ISO in 2006 as part of their 14000 series. Further, ISO signed a memorandum of understanding in 2007 with the WRI and WBCSD to jointly promote global standards. In 2002, the WBCSD published a document titled *‘Sustainable development reporting: striking the balance’* (WBCSD, 2002) and *‘Business solutions for a sustainable world’* (WBCSD, 2013). A key membership criterion is an expectation that members publicly report their environmental performance, covering the three pillars of sustainable development – economic, social and environmental - within the first three years of joining. The latest member reports are displayed on the WBCSD website and numbered 108 in 2013 (WBCSD, 2013). The WBCSD has also published *‘Action2020’* a business agenda towards sustainable development and *‘Vision 2050’* a report proposing ‘must have’ requirements towards global sustainability (WBCSD, 2013).

Overall, a number of factors point to the WBCSD ability to influence sustainability-related practices. These include the WBCSD representation of CEO-led national and international companies at events, such as the Earth Summits; the significant combined economic power of the WBCSD through members and the involvement of key influential individuals who have access to government. Furthermore publications influence business entities’ SE reporting practices including development of specific standards highlighting interactions with other field players. As such, the WBCSD has potential to coercively pressure national, and indirectly, international members SE reporting practices, Membership of the WBCSD would suggest there is potential to influence SE reporting practices through normative and mimetic pressure.

*AccountAbility* is a global not-for-profit organisation that formed in 1995 offering sustainability advisory services to clients and is governed by a range of influential people from a cross-section of society. *AccountAbility* displays their goal as “providing innovative solutions to the most critical challenges in corporate responsibility and sustainable development” (*AccountAbility*, 2013). *AccountAbility* offers the AA1000 series of standards which include accountability principles, stakeholder engagement and assurance. In 2003, the AA1000 Assurance Standard was launched (Epstein, 2008) with the intention of linking with other specialised standards in the area of reporting, including the GRI, Social Accountability International and ISO (Adams and Narayanan, 2007). The AA1000 Assurance Standard comprises principles and standards influenced by the financial accounting principles but focus on the SE reporting process, not what must be reported (Adams and Narayanan, 2007). Importantly, this process includes defining goals and targets, measuring progress against targets, auditing and SE reporting performance. Involvement in this process enables business entities reported performance to be assessed, offering credibility. The three assurance principles: materiality, completeness and responsiveness are utilised for assessing SE reporting (Epstein, 2008). *AccountAbility* does not focus on compliance, instead having a focus on stakeholder engagement as the ‘best’ approach for influencing the practice of SE reporting (*AccountAbility*, 2013). In combination, this well-established player, with field connections and keen focus on assurance, offers significant potential to influence SE reporting through the three pillars of isomorphism.

The *ISO* is a membership-based organisation that develops and publishes management standards (ISO, 2013). The ISO is comprised of representatives from various national standards organisations. This organisation’s history dates back to 1947. However, the certified environmental management system, 14000 series, was published in 1996 and incorporates three indicators: environmental condition, management performance and operational performance (Marshall and Brown, 2003). The ISO established the 14000 series to enable more effective and efficient environmental management through providing practical tools, including reporting standards for business entities and these are suitable for SME. After application of the ISO standards the process of certification is performed by an external party, which

indicates a coercive or ‘procedural’ approach (Adams and Narayanan, 2007). In 2003, the 14000 series were found to be the most influential on business practice (World Bank Group, 2003). This organisation is focused on the process of creating and implementing an environmental management system (Epstein, 2008). The well-known ISO standards offer a potential to institutionalise SE reporting through both normative and mimetic pressure within the field, and coercive pressure through the certification process.

The *GRI* is a not-for-profit organisation which formed in 1997<sup>77</sup> and became an independent body in 2002 (Epstein, 2008). The GRI formed to develop and disseminate voluntary globally-applicable sustainability guidelines for reporting organisations, working towards sustainable development (Marshall and Brown, 2003). These guidelines have been created utilising experts within the GRI network through a multi-stakeholder, consensus approach, enhancing sustainability and credibility (GRI, 2012). The GRI framework has become the most influential guidance provider with over 80 percent of the largest international companies utilising it (KPMG, 2011; Robertson, 2012)<sup>78</sup>, highlighting normative and mimetic pressures within the field. The GRI reporting framework is viewed by Epstein (2008) as the basis for all SE reporting including how to report and what content to include. The GRI has evolved over time with the latest iteration, the GRI G4, released in Amsterdam in 2013 (Bloomberg, 2013). The intent of the latest guidelines is to enable business entities to emphasise material sustainability impacts. Thus SE reports are intended to be more strategically focused, credible and stakeholder friendly (GRI, 2013a). The GRI has relationships with other players in the field. For example, a GRI advisory committee member is Bjorn Stigson, the current the Honorary Chairman of the WBCSD, and the WBCSD promotes the use of the GRI. By aligning areas of their SE reporting frameworks it is hoped to shape investor decisions influencing corporate action towards more sustainable decisions with business entities gaining “the maximum benefit from their reporting efforts” (GRI, 2013b). The global reach and following of the GRI suggests this guidance provider exercises significant normative and mimetic pressure on the practice of SE reporting.

---

<sup>77</sup> The GRI was “Convened by the Coalition for Environmentally Responsible Economies (CERES) in partnership with the United Nations Environment Program (UNEP)” in 1997 (Epstein, 2008; Marshall and Brown, 2003).

<sup>78</sup> The GRI is also promoted by the SBC, discussed in Chapter Five, The Organisational Field.

The *SIGMA* project launched in 1999 aiming to, “provide clear practical advice to organisations to help them make a meaningful contribution to sustainable development” (SIGMA, 2013). This project consists of a three-way partnership with other players in the field including British Standards Institution, AccountAbility and Forum for the Future. The *SIGMA* project has developed its guidelines from principles, the management framework and the *SIGMA* toolkit (Adams and Narayanan, 2007). These guidelines have been developed from research into best practice, pilot programs and stakeholder input, with the most recent guidelines being published in 2003 (SIGMA, 2013). The last phase of the management framework involves monitoring, reviewing and reporting, including assurance with stakeholders, not certification (SIGMA, 2013). This project offers comparability through linking into existing standards and frameworks (ISO and AccountAbility). Overall, the *SIGMA* project is guidance-based, with the emphasis on accountability being exercised through an organisation’s management framework (Adams and Narayanan, 2007), offering potential normative and mimetic pressure on business entities’ SE reporting practices.

The *CDP* formed in 2000 and is an independent not-for-profit organisation working with investors, businesses and governments; funded through sponsorship, member packages and global partnerships (CDP, 2013). The *CDP* has an international reach through its global network, with the goal of incorporating climate-change information in financial decision-making; thereby ensuring polluters bear these costs (The Economist, 2010). The *CDP* invites large companies to report their environmental information through a survey instrument<sup>79</sup>. The influence of the *CDP* on the disclosure practices of business entities is enabled through institutional investors (Kolk et al., 2008) and through rewarding assurance of disclosures (Robertson, 2012). Furthermore, the *CDPs* networked membership structure results in relationships with other players. In June 2013, the *CDP* signed a memorandum of understanding with the *GRI* to work collaboratively in order to harmonise and clarify SE reporting guidelines, standards and frameworks and the *CDP* work with the *carbonZero* certification programme, discussed below. The role of the *CDP* and interactions in the

---

<sup>79</sup> Initially the *CDP* reporting focused on carbon but it has expanded and is seeking to capture water reporting by organisations (CDP, 2013).

field illustrate potential influence on the SE reporting practices through normative, mimetic and underlying coercive pressure.

The *IIRC* was established in 2010 with the aim of developing a global framework for Integrated Reporting. The IIRC is comprised of influential global players represented by: regulators, investors, companies, standard setters, the accounting profession and NGOs. The goal of the IIRC is for Integrated Reporting “to be accepted globally as the corporate reporting norm, benefiting organizations, their investors and other stakeholders by enabling informed decision-making that leads to efficient capital allocation and the creation and preservation of value” (IIRC, 2013a). These expectations suggest there will be normative and mimetic pressure on organisations to engage in Integrated Reporting. The practice of Integrated Reporting was mandated in South Africa for companies listed on the Johannesburg Stock Exchange beginning in March 2011 with France expected to follow (Eccles and Serafeim, 2011). Other large global companies are also reporting against the Integrated Reporting framework (Eccles and Serafeim, 2011). On a global scale the Integrated Reporting framework is being developed by consultation with stakeholders through a submission process and the current Pilot Programme (IIRC, 2012). The benefits of Integrated Reporting are debated, including the merits of standardisation, whether coercively pressured or voluntary, and its impact on disclosure quality, or best practice. The international implementation of a global framework is already significantly influencing the uptake of the practice of SE reporting through coercive expectations within some countries and the voluntary participation of some large international companies. Although SME are involved in these debates the current focus is on listed companies so the influence on SE reporting practices may be limited by this criterion.

### **National Players**

The New Zealand Institute of Chartered Accountants (*NZICA*) is a membership body whose role is to promote, control and regulate the accountancy profession in New Zealand (NZICA, 2013a). NZICA participates in government policy development and regulation. NZICA prepare submissions on various exposure drafts, discussion papers and consultation documents for the government and other bodies, such as the XRB and the IIRC. NZICA provide public information regarding sustainability accounting on their website (see Collins et al., 2011) and help develop accounting standards and

guidance in areas, such as assurance of SE reports. In 2002, NZICA published a *'Report of the Taskforce on Sustainable Development Reporting'* (ICANZ, 2002). NZICA propose that linking organisational activities to sustainability requires the application of accounting tools to enhance transparency and accountability. Over time these tools have included “full cost accounting, sustainable cost calculations, ecological footprint calculations, sustainability reports, and triple bottom line reports” (NZICA, 2013b). NZICA is involved with annual SE reporting award schemes (Milne et al., 2003; NZICA, 2013b) and did have a special interest group for sustainability as well as a sustainable development reporting committee (NZICA, 2013a). NZICA has responded favourably to the Integrated Reporting discussion paper supporting the idea of a global reporting framework overseen by a single international body. The NZICA submission suggests that SMEs need to be more of a focus within the framework; and NZICA highlighted the need for appropriate assurance mechanisms (IIRC, 2013b). Normative pressure is evident with the professional status of NZICA and its reach through its membership base enables NZICA to have a significant ability to influence accounting standards relating to SE reports. Furthermore, the specialist area of NZICA offers potential to influence policy towards institutionalising the practice of SE reporting through coercive pressure.

*Landcare Research* is a Crown Research Institute (CRI), a company owned by the New Zealand Government with the purpose of carrying out scientific research (CRI, 2013) Landcare formed in 1992, with nine offices located around New Zealand. The goal of Landcare is to protect and enhance the land environment and grow the country's prosperity (Landcare Research, 2013). Landcare's values, philosophies and purpose encompass sustainability and stakeholder engagement. Landcare has been publishing SE reports since 2000, winning awards (Milne et al., 2003) and has interrelationships with other field players including partnerships, membership and collaboration (Landcare Research, 2013). Landcare's involvement in NZBCSD's SE reporting pilot project in 2001 illustrates Landcare's early mimetic influence on other SBI members SE reporting and normative influence through Landcare's membership with the NZBCSD. Landcare is a current member of the SBC and is their official GRI data partner and is involved with BusinessNZ. Furthermore, Landcare's ongoing SE reporting practices set an example with the potential to mimetically influence other member entities' SE reporting practices (NZBCSD, 2001). Essentially, the nationally-

recognised position Landcare holds and their interactions with a variety of players within the organisational field, is likely to give them the ability to influence other organisations' SE reporting practices. This influence is also likely to have occurred through their establishment and full ownership of carboNZero, discussed below as a regulatory player.

Although *KPMG* is a professional accounting organisation, known for collecting triennial survey data, as discussed previously, this organisation has filled other roles related to SE reporting. KPMG sponsored the SE reporting awards in New Zealand from 1995-2000, which were then discontinued and KPMG's environmental unit in Auckland was disbanded (Milne et al., 2001). However, in 2002, KPMG published a guide titled '*Triple-Bottom-Line Reporting: Guide to Producing an Annual Report*' (KPMG, 2002).

*Envirostate* is a New Zealand consultancy business that established in 2004 with four offices located in key cities. Envirostate offers business entities sustainability services in three key areas: Environmental Auditing, Environmental Management Systems and Environmental Reporting. Envirostate's vision is to "enable New Zealand businesses to become world-class sustainability leaders" (Envirostate, 2013). Environmental management systems such as, ISO 14000 and Enviro-Mark are developed and implemented, including audit preparation for business organisations. Envirostate services include data verification as they are a certified training partner with the GRI, offering workshops in this area, a normative role. Finally, Envirostate provides sustainability training and services related to SE reporting including '*Towards Transparency Best Practice Sustainability Reporting*' (Envirostate, 2012). Envirostate has a client-based relationship with business entities that are interested in sustainability and its role is likely to influence clients' SE reporting practices with potential to influence other business entities SE reporting practices through mimetic pressure.

*Academics* have the potential to influence SE reporting through a variety of means. Education through teaching programs including sustainability-related concepts (Roper, 2004) is one such example. Research findings contribute to a body of knowledge within published literature and are also used to inform policy. An indirect

influence on SE reporting occurs through professional bodies, such as the NZICA contributing to discussion papers and policy submissions (for example, Integrated Reporting which was discussed in the previous section), and communicating through journal contributions<sup>80</sup>. Academics are involved in writing reports such as *‘Sustainability and the role of the management accountant’* produced for NZICA (Collins et al., 2011). Furthermore, published features can be used as an influence, for example, ‘Think Pieces’ displayed on Landcare Research website (Bebbington, 2013).

Academics engagement with organisations through action research can also lead to practical change in an organisations SE reporting practices (Adams and McNicholas, 2007; Collins et al., 2007; 2010). Internationally some academics have sought more controversial ways of drawing attention to poor quality SE reporting – through publishing ‘silent’ or ‘shadow’ accounts – that reveal gaps in disclosures contained within SE reports (Gibson et al., 2001 cited in Dey, 2007, p. 311; Adam and Evans 2004). Other influences stem from academic involvement with business entities through interview-based research (Eweje, 2011); or judging awards, such as the Sustainable60 Challenge<sup>81</sup>.

“Engagement and dialogue with stakeholders” is argued within the literature as good corporate citizenship (Banerjee, 2008, p. 62) and can be actioned through offering public lectures at venues, such as Universities. Bansal et al. (2012) use the Network for Business Sustainability as an example whereby intermediary organisations have the ability to help bridge the research-practice gap. Incorporating researchers and practitioners “extracts value from two worlds” (Bansal et al., 2012, p. 89) in order to influence change towards business sustainability. Combined, the above examples illustrate how members of the academic community have drawn public attention to sustainability issues which has the potential to influence SE reporting practices, normatively and also coercively through policy input.

---

<sup>80</sup> For example, Gilkison contributed articles on the awards scheme and state of SE reporting in New Zealand to the Chartered Accountants Journal during the years 1995-2003.

<sup>81</sup> Fairfax Media partners with Sustainable60 Awards which are sponsored by New Zealand Trade and Enterprise, the SBN, the SBC and several business organisations.

*Activists* are groups and/or individuals working towards exposing social and environmental issues in order to effect change. However, the changing political environment in New Zealand has impacted on the influence of activists. (see Downes, 2000 for an historical overview of activist groups and changes in New Zealand's political climate). Activists focus on key issues to effect change through, for example, publicly exposing business entities poor environmental actions. For example, Greenpeace has been tracking and exposing the actions of exploratory oil drilling off the coast of New Zealand. Brown and Fraser (2006) suggest SE reporting may well be an exercise by business entities to head off the threat of NGOs, such as Greenpeace. Similarly, Hackston and Milne (1996) allude to New Zealand companies' attempts to reduce pressure from activists, potentially through SE reporting. Overall, stakeholder exposure does offer potential coercive pressure on New Zealand business entities SE reporting but is not reflected by their current engagement in this practice.

#### **Regulatory and Standard Setting Players**

Both *central and local government* play a role in setting targets relating to sustainability and these include "formal statutory and policy frameworks and strategies" (MfE, 2007). The Ministry for the Environment (MfE) works with central and local government as well as business and the community, giving policy advice on environmental issues (MfE, 2007). In 1995, Simon Upton, Minister for the Environment and subsequently Deborah Morris touted the importance of, and need for, SE reporting (Milne and Owen, 1999). Deborah Morris suggested an amendment to the Companies Act 1993 requiring business entities to disclose their environmental impacts (Milne et al., 2001). After holding focus group discussions the Ministry for the Environment (MfE) put forward an information paper '*Summary of Comments made on the KPMG Information Paper Corporate Environmental Reporting*' (MfE, 1998) but mandatory SE reporting was rejected (Milne et al., 2001). From 1999-2008 the Labour party governed in New Zealand. During this time Labour introduced the Climate Change Response Act in order to ratify the Kyoto Protocol and reduce carbon emissions to 1990 levels, with a legislated Emissions Trading Scheme (ETS) (Environment NZ, 2007). In the early 2000s two ministries' put out publications promoting SE reporting, the Parliamentary Commission for the Environment and the Ministry of Social Development. Since being elected in 2008, the National Government has systematically reduced its focus on environmental issues having

withdrawn New Zealand's involvement in the Kyoto Protocol and 'watered down' the ETS (Smellie, 2012). The latest State of New Zealand's Environment Report (2010) has highlighted issues of poor environmental data collection and that both the public sector and private companies have poor SE reporting practices. Overall, the New Zealand government has the greatest potential to coercively pressure the practice of SE reporting through the ability to regulate, but the current regime appears unlikely to do so.

The *IASB* is an international, independent, private-sector body formed in 2001 (IASB, 2013). The role of the IASB is to develop, publish and approve interpretations of the International Financial Reporting Standards (IFRS) under the oversight of the IFRS Foundation. This involves a transparent process with public comment encouraged in discussion papers and exposure drafts. This engagement focus includes a range of international stakeholders including: investors, analysts, regulators, business leaders, the accountancy profession and accounting standard-setters such as, the XRB. Although the IASB did not put in a submission relating to Integrated Reporting in February 2013 the IASB announced they would work collaboratively with the IIRC in order to help develop a global Integrated Reporting framework (IFRS, 2013). This is public acknowledgement that the IASB will support the work of the IIRC in standardising the practice of corporate SE reporting and illustrates future potential to influence this practice coercively.

The *XRB* is an independent Crown Entity with offices in Wellington and Auckland, New Zealand (XRB, 2013). THE XRB comprises the New Zealand Accounting Standards Board and the New Zealand Auditing and Assurance Standards Board. The role of the XRB is to develop a financial reporting strategy as well as preparing and issuing accounting and auditing and assurance standards (XRB, 2013). The XRB also liaise with national and international organisations that exercise functions that correspond with, or are similar to, those conferred on the XRB. The accounting and assurance standards framework requirements are confidence in financial reporting, competing internationally and accountability to stakeholders. The predominant influence of the XRB on SE reporting is through their standard setting role (XRB, 2013). However, the XRB also has the potential to influence SE reporting through interaction within other players in the field. The XRB supportive submission to the

IIRC discussion paper is an example of the XRB's ability to influence the future of SE reporting.

Accounting firms Ernst and Young (EY), Deloitte, KPMG and PricewaterhouseCoopers (PwC), often referred to as '*the Big Four*', offer services that relate to climate change and sustainability, and promoted SE reporting (Milne et al., 2003). All four firms offer assurance services on their respective websites. EY also lists its internal efforts at adopting environmental sustainability (EY, 2013). Deloitte publicises its support for Integrated Reporting, believing it is the next step for organisations embedding sustainability into their strategy and operations (Deloitte, 2013). KPMG's Director of sustainability advisory services was the project manager for the Sustainable Business Council's project '*Vision 2050*' articulating a plan for New Zealand's sustainable future (KPMG, 2013). This Director is also Co-chair of the SBN. Other advisors specialise in ETS legislation, and have accreditation in the GRI guidelines. PwC lists its specialist areas as: carbon, ETS, climate change policy involvement, carboNZero auditing and assurance of SE reports (PwC, 2013). PwC measure their own carbon footprint and are a founding member of the NZBCSD, WBSCSD and a signatory to the UN Global Compact. The Big Four firms have a client-based relationship with business entities and each of these firms can influence SE reporting in a variety of areas but their predominant role is evaluatory, enabling financial gain (O'Dwyer, 2011).

There are several well-established *independent environmental assurers* including: URS Corporation, Tonkin and Taylor, ERM and carboNZero. URS Corporation established in 1951 and is a global engineering, construction and technical services firm providing environmental and sustainability services to a range of companies. Environmental services focus on assessing, managing and reducing environmental impacts, and include compliance audits. Sustainability services include strategic planning for related practices such as GHG management, commissioning and certification. URS published the following report in 2006 '*Corporate Sustainability Reporting in New Zealand*' and display their SE reports on their website. URS also display related projects on their website (e.g. Air New Zealand) (URS, 2013) and URS New Zealand Ltd is a member of the SBC (SBC, 2013a).

Tonkin and Taylor was founded in 1959 and is an engineering firm offering sustainable business services, sustainable engineering and solutions. This firm offers strategic advice for sustainability-related practices incorporating SE reporting and independent assurance of related practices. Publicly-listed examples of initiatives include developing a sustainability manual for Watercare, advising Landcare on their SE reports, Sustainability Master Classes for the NZBCSD, and involvement in carbon credit applications for an overseas business. Tonkin and Taylor established New Zealand's first accredited ISO 14001 EMS certification programme (Tonkin & Taylor, 2013). This firm does not appear to publish their own SE reports and is not a current member of the SBC.

ERM established in 1971 and is a global provider of environmental, health, safety, risk, and social consulting services – centred on sustainability. Their services include managing environmental risk through assessment, planning, restoration and assurance of business impacts. ERM published their 2013 SE report applying the GRI G4 to demonstrate leadership in this area and display sustainability and environmental awards they have received. ERM are a member of the WBCSD and signatory to the United Nations Global Compact (ERM, 2013) the New Zealand branch is a member of the SBC (SBC, 2013a).

The *carboNZero* certification program was established in 2001 and, operates as a separate entity to Landcare Research (carboNZero, 2013). The organisation's goal is to provide tools for business organisations to reduce their GHG emissions or carbon footprint. This specialist service is offered through a carbon management process. This includes an organisation: measuring, to establish its carbon footprint, managing to reduce GHG emissions, mitigating through purchasing verified carbon credits and marketing or reporting its GHG emission reductions. CarboNZero offers two internationally-recognised certification programs; CEMARS and CarboNZero, the latter requiring the extra step of organisations purchasing carbon credits in order to offset additional emissions, a potential normative pressure. This organisation has a client-based relationship with business entities or organisations that choose to reduce or offset their carbon emissions. As such, carboNZero has an important and significant voluntary coercive pressure through certification of business entities GHG reporting (Robertson, 2012).

The above environmental assurers have client-based relationships with business entities and interact with various field players showing potential normative, mimetic pressure but predominantly coercive pressures on SE reporting through their assurance-focused role.

#### **Summary of Players in the Organisational Field**

The analysis of players in the organisational field highlights a number of potential isomorphic pressures on SE reporting practices. The role and interactions of international and national players offers potential mimetic pressure on business entities and normative pressure through business entities involvement or membership with professional associations. However, the role of several international and national players, but specifically regulatory players, offers significant potential to institutionalise the practice of SE reporting through coercive pressure.

## Appendix C - Semi-Structured Interview Questions

Appendix C presents an indication of the questions posed to research participants during the semi-structured interviews. The questions are thematically organised seeking to understand the roles of individuals and organisations, leading to perceived influences on sustainability-related practices and drilling in to understanding influences on SE reporting practices. The SBI interview questions are presented first, followed by interview questions for SBI member'; SE reporters and non-consistent SE reporters.

### Sustainable Business Intermediaries' Interview Questions

1. I understand you are an (title) at this SBI. Can you please describe what this role entails?
2. When did you become involved with this organisation?
3. How many years' experience do you have within this role or similar roles?
  - a. Can you tell me a little about your work history?
4. Have you had, or do you currently have any involvement with other organisations' sustainability-related practices?
  - a. If so, can you please describe, or give examples of your involvement with other organisations sustainability-related practices?
5. Do you think there will be any changes within your role in the near future? Why, why not?
6. Why did this SBI become established?
  - a. What was the initial purpose of this SBI?
  - b. What is the current purpose of this SBI?
  - c. What was the initial role of this SBI?
  - d. What is the current role of this SBI?
  - e. Have there been any changes in the purpose or role of this SBI? If so, can you describe these changes and explain why have they occurred?
  - f. Do you envisage any changes in the future purpose or role of this SBI? If so, what might change and why?
7. Why do business entities join your SBI?
  - a. What benefits do members obtain from belonging?
  - b. How do you know what benefits are received (are they monitored)?
  - c. Has there been any noticeable change in membership over time?
8. Do many member entities leave this organisation?
  - a. If so, why do you think they leave?

9. Can you explain how this SBI influenced members sustainability-related practices when first established?
10. In what ways does this SBI currently influence sustainability-related practices of member entities?
  - a. Can you provide some examples?
11. Has the SBI's influence changed over time?
  - a. If so, how and why has it changed?
12. Do you think the SBI's influence might alter in the future?
  - a. If so, how and why might it change?
13. Can you please describe your general understanding of sustainability-related practices, by business entities, in New Zealand?
  - a. What type of sustainability-related practices are New Zealand business entities involved in?
  - b. Can you explain what motivates New Zealand business entities to be involved in sustainability-related practices?
14. What do you understand as past influences on New Zealand business entities to be involved in sustainability-related practices?
15. Can you please describe current influences on New Zealand business entities to be involved in sustainability-related practices?
  - a. Related to membership of SBI's
  - b. International, National and/or Regulatory/Standard Setting Bodies
16. Referring to the above, in what way(s) do these individuals/bodies influence SBI members SE reporting?
  - a. Decision to report
  - b. Structure/format of report
  - c. Content of report
  - d. Audit/Assurance of report
  - e. Availability of report
  - f. Stand Alone or Integrated Report
  - g. Stakeholder input
  - h. Specific area of focus
17. How do you think sustainability-related practices, specifically SE reporting, among New Zealand business entities will be influenced, if at all, in the future?
18. Do you have any further comments or questions?

### **SBI Members – Social and Environmental Reporters’ Interview Questions**

1. Can you please describe the role you fill within this organisation?
2. How long has this role been in existence for?
3. How many years of experience do you have within this role?
4. Do you think there will be any changes within this role in the near future?
5. Which SBI(s) does your business entity currently belong to?
  - a) How long has your business entity been a member of this/these SBIs?
  - b) Why did your business entity join this/these SBIs?
  - c) What do you understand as the differences, if any, among the purpose/role of these SBIs?
6. Has your business entity previously been a member of any other SBIs?
  - a) If so, why did your business entity leave this/these SBIs?
7. Describe your general understanding of sustainability-related practices, by business entities, in New Zealand?
8. How is your business entity involved in sustainability-related practices?
9. Describe past influences, if any, on your business entity to be involved in sustainability-related practices?
10. Describe, current influences, if any, on your business entity to be involved in sustainability-related practices?
11. How, if at all, do you think your business entity will be influenced towards sustainability-related practices, in the future?
12. Can you please explain who or what influenced your business entity to start producing SE reports?
13. With whom, if anyone, do you discuss, or get advice from, that influences your SE reporting?
  - a. SBIs membership-related
  - b. Other members of SBIs
  - c. International, National and/or Regulatory/Standard Setting Bodies
14. How do these organisations/individuals influence your SE reporting practices?
  - d. Structure/format of report?
  - e. Content of report?
  - f. Audit/ Assurance?
  - g. Availability of report?
  - h. Stand Alone or Integrated Report?
  - i. Stakeholder input?
  - j. Specific areas of focus?

15. Do you have any further comments or questions?

**SBI Members - Non-consistent Social and Environmental Reporters' Interview Questions**

1. Can you please describe the role you fill within this organisation?
2. How long has this role been in existence for?
3. How many years of experience do you have within this role?
4. Do you think there will be any changes within this role in the near future?
5. Which SBI(s) does your business entity currently belong to?
  - a. How long has your business entity been a member of this/these SBIs?
  - b. Why did your business entity join this/these SBIs?
  - c. What do you understand as the differences, if any, among the purpose/role of these SBIs?
6. Has your business entity previously been a member of any other SBIs?
  - a. If so, why did your organisation leave this/these SBIs?
7. Describe your general understanding of sustainability-related practices, by business entities, in New Zealand?
8. How is your business entity involved in sustainability-related practices?
  - a. Describe past influences, if any, on your business entity to be involved in sustainability-related practices?
  - b. Describe, current influences, if any, on your business entity to be involved in sustainability-related practices?
  - c. How, if at all, do you think your business entity will be influenced towards sustainability-related practices, in the future?
9. Please explain why your business entity does not currently produce (annual) publicly available SE reports?
10. Do you think your business entity will be influenced to annually produce externally available SE reports in the future?
11. What, or whom, do you believe would influence your organisation to annually produce externally available SE reports?
  - a. SBIs membership-related
  - b. Other members of SBIs
  - c. International, National and/or Regulatory/Standard Setting Bodies
12. Do you have any further comments/questions?

