The emergence of triple bottom line reporting in Spain

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Abstract

The main objective of this work is to explore the driving forces of sustainability reporting in the Spanish context. To achieve this aim, 30 semi-structured interviews were conducted with senior managers and other experts, who had participated in the development of the sustainability report of 20 Spanish firms. This qualitative analysis enabled us: i) to build a map of the main drivers (internal and external) of social reporting and accountability processes; ii) to reveal the relations between drivers at different analytical levels (individual, organizational and institutional); and iii) suggest areas for further research.

Keywords: Sustainability reporting; Spain; individual, organisational and institutional drivers; qualitative analysis.

Resumen

El objetivo de este estudio es explorar los principales factores que podrían estar influyendo en la confección y desarrollo de las memorias de sostenibilidad en el contexto español. Con este objetivo se llevaron a cabo 30 entrevistas semi-estructuras con personas que habían intervenido en la confección de las memorias de sostenibilidad de 20 empresas españolas. Fruto de este análisis de carácter cualitativo se ha podido: i) confeccionar un mapa de los principales factores (internos y externos) que podrían estar determinando la naturaleza y alcance de las memorias; ii) desvelar relaciones entre factores emanados de diferentes niveles de análisis (individual, organizacional e institucional); así como iii) sugerir líneas futuras de investigación al respecto.

Palabras clave: memorias de sostenibilidad, España, análisis cualitativo, factores individuales, organizacionales e institucionales.
1. INTRODUCTION*

Adams (2002) maintains that the principal theories put forward in the past to explain social and environmental disclosures (SED) do not have sufficient explanatory power to capture the complexity of this phenomenon. Gray (2002a) asserts that social accounting is still under-theorised (p. 699) and calls for it to be enriched through further in-depth studies on the way in which social accounting evolves within organizations (see also Adams and Larrinaga-Gonzalez, 2007). Some of these significant criticisms directed at this area of research could be justified by the fact that over the past 20 years SED has principally been analysed through the lens of its relationship with specific external factors using quantitative methodologies. Stakeholder pressures (Ullmann, 1985; Roberts, 1992; Tilt, 1994), the influence of the media (Brown and Deegan, 1998; Deegan, Rankin and Tobin, 2002), the economic-political-social framework in which the firms operate (Tinker and Neimark, 1987; Gray, Kouhy and Lavers, 1995b) or the occurrence of events that have cast doubt on the legitimacy of some firms (Patten, 1992; Deegan, Rankin and Voght, 2000), are some of the more frequently investigated variables that are used to explain SED. The traditional approach to social reporting has ignored whether and to what extent internal processes drive social accounting. Internal factors like the views, attitudes, perceptions and values of the actors who drive the reporting process from inside the firms, or the firm's resources and capabilities, have not been appropriately introduced in SED analysis (Adams, 2002). On the other hand, the excessive use of quantitative tools does not seem a suitable way to “understand” social accounting within organizations (Thomson and Bebbington, 2005:529).

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As a consequence of this bias in the literature towards the study of factors that are external to the organisation and the use of methods that fail to involve the actors that prepare the information, there is an emerging body of literature that, through the use of qualitative methods, seeks to enrich the knowledge acquired on SED by studying its preparation within the firm. Among those studies, which seek to overcome the previously mentioned shortcomings, some have confirmed (Deegan and Blomquist, 2006) or broadened (O'Donovan, 2002) the explanatory power of the standard theoretical arguments around SED. However, other scholars have highlighted the inability of hegemonic theories in the field to satisfactorily explain SED, pointing to the simplicity of their arguments (O’Dwyer, 2002) and their limited explanatory power (Adams, 2002). The present work falls within this new line of research and its objective is to conduct a broader field study of those drivers that might be exercising a significance influence over the SED process in a sample of Spanish firms.

More specifically, this study conducts semi-structured interviews with 30 managers of 20 firms that have published at least one triple bottom line (TBL) report within the framework of the Global Reporting Initiative (GRI) to account for its corporate social responsibility (CSR). The firms studied are heterogeneous in nature: large multinationals, very small firms, consumers and workers’ cooperatives, savings banks, employee-owned firms, and public sector firms. It would be worthwhile to highlight that the sample was taken in a Spanish business context, which is especially significant at a global level, as Spain was the country, at the time of the study, which boasted the highest number of reports “in accordance” with GRI, ahead of countries with long traditions in this field such as the United States, Australia or the United Kingdom. Unlike previous studies that, using qualitative methods, have centred their research on one level of analysis, that is, on either internal (Adams, 2002) or external factors (O’Donovan, 2002; O’Dwyer, 2002), this present investigation will simultaneously study, at different analytical levels, those factors that influence the process of drawing up social and
environmental disclosures. The study at different analytical levels enables us to achieve the two principal contributions of this research: to establish a map of the most influential driving forces in the process from the interviewees’ point of view; and, to point out the possible interrelated links between drivers situated at different levels of analysis.

In the following section, this research will be placed in context through a revision of the previous literature focusing on the analysis of qualitative studies of SED. Section three describes the design and implementation of the research. Section four analyses the results drawn from the conversations held with Spanish managers around SED. The paper concludes with a summary of the principal conclusions and recommendations for further research.

2. LITERATURE REVIEW.

Previous research has tended to approach the analysis of SED from a distance (Adams and Larrinaga-Gonzalez, 2007). It has neither directly witnessed its drafting process, nor obtained information from the actors participating in its development. As a consequence, over the past 20 years, in the growing field of social and environmental accounting research in general, and in particular, in the analysis of the variables that explain SED, scholars were more concerned by the analysis of external factors (such as stakeholder pressure, media coverage, singular pollution events, the cultural characteristics of the country in which the firms operate or the dynamic of the capitalist system itself) and were inclined to use quantitative methodologies (e.g. content analysis). Examples of such studies include Adams, Coutts and Harte (1995), Adams (1998); Brown and Deegan (1998), Deegan and Gordon (1996); Deegan, Rankin and Voght (2000); Deegan, Rankin and Tobin (2002); Campbell (2003); Campbell, Craven and Shrives (2003); Gray et al. (1995b); Guthrie and Parker (1989); Larrinaga-Gonzalez et al.

A more recent stream of qualitative studies, based on case studies and semi-structured interviews, analyse internal and external factors through the inspection of the discourses about SED developed by SED actors (Larrinaga-Gonzalez and Bebbington, 2001; Larrinaga-Gonzalez et al. 2001; Adams, 2002; Deegan and Blomquist, 2006; O’Dwyer, 2003, 2005; O’Donovan, 2002). Among these studies we can distinguish between those that analyse the conventional external factors by applying qualitative methods, confirming, elaborating or questioning on the arguments already present in the literature and those that through field research analyse the internal factors and raise questions overlooked by previous studies.

2.1. QUALITATIVE ANALYSIS OF TRADITIONAL FACTORS

Despite the previous literature seeming to agree on the existence of a close relationship between the pressure exerted by some stakeholders on organisations and SED (see, for instance, Ullmann, 1985; Roberts, 1992; Tilt, 1994; Gray et. al 1995b; Neu et. al 1998; Cormier, Gordon, and Magnan, 2004 or Magness, 2006), Deegan and Blomquist (2006) affirm that this generalised assumption had never been directly contrasted with the vision of those responsible for producing the information. Deegan and Blomquist (2006) contribute to bridging this gap by interviewing the managers of six mining firms, illustrating how the pressure brought to bear by World WildLife Fund had in fact impacted significantly on patterns of environmental disclosures made by these firms.

Moreover, although most of the previous studies agree on the point that the main motivation behind SED is a firm’s desire to legitimise its existence within society, once again, this assumption had not been contrasted with the perceptions of corporate actors responsible for
producing the information. This gap in the previous literature has attracted the attention of various scholars that have obtained contradictory results.

O’Dwyer (2002), after interviewing 29 directors of 27 Irish firms, contrary to a general assumption in the previous literature, finds that some managers who had reported social information did not believe that social disclosures were really effective at legitimising the behaviour of their firms. O’Dwyer (2002) asserts that:

“Elements of the narrative presented also challenge the seemingly pervasive explanatory power of legitimacy theory with respect to CSD [corporate social disclosure] proposed by prior research” (p.408)

On the contrary, O’Donovan (2002), in a quasi-experiment carried out through the analysis of 6 interviews with managers in three large Australian firms belonging to “sensitive” sectors, elaborates on the postulates of LT and extends its application and predictive power along the lines of the theoretical concept of “micro-legitimacy” (see Neu et al. 1998). Whereas in the previous literature, the focus was on the external analysis of the attempt of firms to repair their legitimacy status in the presence of an important environmental event, assuming a reactive behaviour of the firm, O’Donovan (2002) unpacked the organizational legitimacy construct by analysing it from the perspective of managers, the internal process that leads them to select different strategies according to the firm’s purpose (gain, maintain or repair their legitimacy) and the significance of the environmental event/issue (high or medium).

2.2. QUALITATIVE ANALYSIS OF INTERNAL FACTORS.

The contribution of the evidence stemming from qualitative studies, in addition to confirming or refuting some of the principal theoretical assumptions in the field, resides in its explanation of internal factors that are difficult to slot into the current theories that hold sway in this field.
O’Dwyer (2005) witnessed from within an international Irish aid agency, how social accounting was implemented in the organisation. He conducted in-depth interviews with the main actors, analysed internal memoranda and lived through its implementation at first hand. O’Dwyer, 2005 brings to light the internal tensions and contradictions arising from the implementation process, which hindered the achievement of real changes, due principally to the existence of power asymmetries within the organisation.

“The core of the case illuminates a systematic process of stakeholder silencing by a powerful APSO board whose agenda for the process differed significantly from those of its promoters. This prevented the process empowering key stakeholders to institute substantive organisational change” (O’Dwyer, 2005:13)

Adams (2002) studied internal organizational factors influencing SED through interviews with managers of three English and four German firms. She casts doubts on the explanatory power of most theories in this field (Legitimacy Theory, Stakeholder Theory and Political Economy Theory) and concluded that factors related to the social reporting processes as much as the attitudes of the agents that are not considered in the latter theories, could be influencing the quantity and quality as well as the scope of SED in both countries in a very significant way.

Larrinaga-González and Bebbington (2001), by means of a case study, analysed the role of accounting in “assisting, inhibiting or modifying” (p.277) the process of internal change within a large Spanish organization. Accordingly, they researched whether the changes this firm experienced, through the introduction of environmental accounting practices, were substantial transformations (organizational changes) or, an attempt to capture the environmental agenda (institutional appropriation). Larrinaga-González and Bebbington (2001) discovered that even if the introduction of the environmental accounting might be
3.1. RESEARCH METHOD

The principal motive that guides this research is the desire to understand the factors that drive or inhibit the process of drawing up a TBL report in the Spanish context. Accordingly, the present qualitative study approached this phenomenon not only by analysing TBL reports but also the discourses of the individual that play a significant role in the assemblage of those
reports. This approach responds to recent calls in social accounting made by Gray (2002a), Thomson and Bebbington, (2005), Parker (2005) or Adams and Larrinaga-Gonzalez (2007) for further enrichment of the data collected from the field.

Semi-structured in-depth interviews were conducted to capture evidence arising from the dialogues with managers, consisting of open questions that are formulated to allow interviewees to articulate the phenomenon under study through their own ideas, metaphors, concepts and perspectives. However, unlike interviews based on informal conversations, semi-structured interviews use a guide so that “the same basic lines of inquiry are pursued with each person interviewed” (Patton, 2002:343). Prior to the preparation of this guide, the literature reviewed in the previous section guided the selection of the main themes to be covered in the interviews, in accordance with the objectives of the study. The principal themes analysed in the first draft of the guide were as follows: the nature of sustainable development for Spanish firms; the way in which firms are approaching sustainable development; and how and why TBL reporting processes evolve within organization.

In order to check the suitability of the interview guide at capturing the various influential factors in the development of TBL reporting as well as their interactions, a first draft was tested in three interviews. As a result, some small changes were made to the composition and order of the questions to adapt them to the objectives of the study and to make for a more fluid interview. The final version of the interview guide is shown in the appendix.

3.2. SAMPLE

The field research consists of 20 Spanish firms chosen at random from among those that drew up TBL reports following the GRI reporting guidelines up to 2005, identified from the GRI website, consulted in January, 2006. This choice is justified, in the first instance, by a wish to
analyse the behaviour of those firms that allegedly have made most progress in sustainability reporting, because of the global recognition of GRI guidelines (Adams, 2004; Moneva, Archel and Correa, 2006; Gray, 2006). In the second instance, there is an international interest in researching this field, as Spanish companies, at the time of the study, had drawn up more reports in accordance with GRI’s 2002 guideline than any other country in the world. In the third place, we thought that the values of transparency and stakeholder engagement assumed in the preparation of TBL reports would itself facilitate access to the interviewees and, therefore, to the information required to carry out this study.

The sample of firms is heterogeneous in terms of the size of firms and ownership structure and represents different industries. They range from large multinationals to firms with less than 10 workers; from firms belonging to “sensitive” (Deegan and Gordon, 1996) sectors from an environmental point of view, to firms belonging to apparently “innocuous” sectors; and, from large public limited companies to workers cooperatives, employee-owned firms and public as well as private sector firms (see table 1).

3.3. INTERVIEWEES’ PROFILES

Miller and Crabtree (1999) assert that “for depth interviews, respondents should be selected so as to maximize the richness of information obtained pertinent to the research question.” Accordingly, interviewees were selected from among those that were in charge of, or actively participated in, drawing up the report, and who held a broad perspective of the whole process. 30 individuals were interviewed in total, including CEOs, members of the board of directors, executives, technical staff and one who belong to a consultancy (see table 1). All of the interviewees’ personal details as well as the names of the firms under study remain strictly confidential at the request of some of them.
3.4. INTERVIEW PROCEDURES AND ANALYSIS

Prior to the interview, the TBL reports of each firm were analysed to explore the approach of each organisation to sustainable development; the language it employed; the target audience for the report; and how firms faced negative information. Negative information and the significant contradictions that were identified were very useful to enrich the data gathered from the interviews. The interview guide (see appendix) was adapted for each interview according to the specific data available in their reports. Interviews lasted between 30 and 90 minutes and were carried out between February and May 2006. All of the interviews, except for two, were tape-recorded and subsequently transcribed. With regard to the remaining two interviews, detailed note-taking was employed in one of them and the other, having previously forwarded the interview guide, was returned in writing. Although the analysis of the interviewees’ opinions implies an iterative process that starts as soon as such opinions are expressed, the core of the analysis revolves around the interview transcriptions, the notes taken as the conversations progressed and the TBL report. This analysis, although imbued with a strong dose of creativity and subjectivity, was carried out following an adaptation of the protocol described by O’Dwyer (2002; 2003; 2004).

Following Huberman and Miles, (1994), the analysis of the interview was divided into three stages: data reduction; data display; and data interpretation. In the first step, the data reduction stage, tape-recorded interviews were played two or three times. This task was usually done on the way home after having completed the interview. It helped to reinforce the first general overview of the information before producing a transcription of the interviews. After their
transcription, the transcriptions and the interviews were read twice. The transcriptions were read while listening to the recording, in order to capture the emphasis or any other kind of subjective information that would be impossible to obtain by just reading the transcriptions. In this stage, using the interview guide as a reference, several general driving factors of the TBL report could be identified in the data. Although some of them came up in a natural way from the interview guide, others nevertheless cropped up unexpectedly. After the general factors were suitably defined and coded, with those initial themes in mind, the interview transcriptions and notes were re-read again twice over. During this process many other factors were identified and also defined and coded. Those factors, when possible, were grouped under any of the general driving factors found in the previous stage. Sometimes this task was not possible, in fact, narratives emerged at this stage of the analysis that, in some cases, contradicted previous ones. Those “problems”, in the analysis of the data, turned out to be the most interesting part of the study, greatly enriching the interpretative phase.

The qualitative data analysis process is neither objective nor linear, but rather subjective and iterative. In the present study, it was even more evident in the display and interpretative stages than in the reduction stage. The objective of the display and interpretative stages was to have a better understanding of firstly, the narrative that arises in each firm; and secondly, the links between those narratives and the big picture. With this aim in mind, one matrix for each firm was built which allowed the general drivers and sub-drivers identified to be viewed all together (display stage). Analysing the matrixes and the specific paragraphs where the drivers are articulated allows the story that summarizes the main drivers of the Sustainability Reporting process in each firm to be written, while paying special attention to the relationships between them. Subsequently, the story of each firm was analysed (interpretative stage) and a general map, which captures every driver identified in the institutional field, was drawn (display stage). The final step of the analysis consisted of searching for the general
picture of the driving factors of TBL reporting across firms (interpretative stage). To do so, following the general map, firms were grouped according to the main drivers that influenced their own reporting process (display stage). The analysis revealed that some factors were common to all firms, and others were shared by a specific group of them.

4. RESULTS ANALYSIS

The analysis of the interviews revealed the existence of diverse driving forces of SED that brought with them two potential obstacles to carry on with the research. First, interviewees referred to CSR and the TBL report itself as interchangeable terms; they often emphasized that they could not make a clear distinction between them. Consequently, when possible, in the analysis that follows CSR and TBL reporting will be examined separately but considering their interrelationship (especially concerning organizational drivers; see below). However, more often than not no clear cut line may be drawn between them.

The second obstacle related to the best way to report for the numerous driving forces that arose from the analysis. In this respect, this paper follows the notion of “different levels of resolution” (Gray et al. 1995b; Gray, 2002b) displaying the factors in three different categories: institutional factors; organisational factors; and, individual factors. Institutional factors include those factors that come from beyond the boundaries of the organizations studied. Internal factors were split in organizational and individual factors. Organizational factors of SED include those that are idiosyncratic to the organization: the analysis revealed that organizational identity played a differential role from the role played by individuals. Individual drivers, such as values, attitudes and beliefs, stem from the influence of managerial discretion in the sustainability reporting process.
4.1. INSTITUTIONAL FACTORS.

The discourses to emerge from the interviews corroborate the importance attributed in the previous literature to institutional factors as drivers of SED. The initiation of CSR practices and the very idea of making social and environmental disclosures has its origins that lie outside the boundaries of the organizations that were examined. Expressions such as “it became the fashion”, “they’re market trends” or “the existence of that general feeling was noticed” are often used to refer to the origin of CSR practices. Interviewees’ discourses about the external origin of CSR and SED revolved around five themes: the growing social concern on social, environmental and ethical issues; the behaviour of other firms; the interest of stakeholders; the opinion of the “experts”; and media coverage.

Growing social concern

Despite CSR being qualified by some directors as a vogue or a passing trend, there is a general feeling that it is not something ephemeral but that it does in fact respond to the actual development of the socio-political and economic environment in which they work.

“We can talk about where this all comes from and where it all comes from is an important cultural change in society and ever-greater demands that are being placed on firms” [A, large firm, mobile telephony, DSR]

“It is not that the penny’s just dropped that there are other things, it's the development itself, the development itself of the global economic system which forces us to accept these conditions as strategic ones, “X” is not the only firm” [B, large firm, chemical industry, DSR]
As concluded by Patten (1992; 1995), Gray et al. (1995b), Brown and Deegan (1998) and Deegan et al. (2002), interviewees observe that a relation exists between the perceptions, the values and the concerns of the society and the origins of CSR practices. Two characteristics of this observation were brought to light with greater regularity than any others: the increasing awareness in society of the need for economic development to be sustainable from the social and environmental point of view; and, the increasing loss of trust in business organisations by the society. But each of these two characteristics seem to have a different influence in the development of CSR and SED practices in Spain. Although some actors in environmentally “sensitive” industries affirm that they became aware of the need to integrate CSR into management practices because of growing social awareness, the problem of the global sustainability of the planet paradoxically appears not to be a significant driving force of SED, particularly among transnational companies. Interestingly, while the sustainable development agenda advanced in the 1990s, it was only very recently that the first Spanish firm published its TBL report: in fact, although Spain had, at the time of the interviews, produced more reports in accordance with GRI than any other country in the world, it was not until 2002 that the first sustainability report was published (according to www.corporate.register databases; accessed 03/03/2008), in the aftermath of the Enron (2001), Worldcom (2002) and Parmalat (2003) scandals. In large firms, those scandals raised the concern over the growing levels of society’s (or shareholders’?) mistrust in the ethical basis of corporate behaviour. The tenor of the comments made by managers in some of the transnational firms suggests that this had a great deal to do with the firms’ concern for CSR.

“Why has this happened? [the firms’ concern for CSR and the preparation of reports]. I don’t think that it has been said, but this has happened because of Enron. When this all started to get off the ground here in Spain, I don’t know about other countries, but everything was at that time. It made an enormous impact” [C, large firm, energy sector, CD]
“As a consequence of all the problems related to credibility from the ethical point of view, transparency of information etc. Well, in the end Corporate Responsibility (CR) emerged as a kind of reply and not as a passing fashion. I think […] CR was being seen as a response to all the cases of Enron, WorldCom…” [A, large firm, mobile telephony, DSR]

But it seems that these events have not affected the matrix of Spanish firms in quite the same way. In line with the results of the previous literature that point to the largest firms as being more exposed to the criticism voiced by society (Watts and Zimmerman, 1978; Trotman and Bradley, 1981), and due to the concentration of scandals in transnational firms, the executive director of a Spanish SME, a pioneer in the preparation of TBL reports, stated that:

“The only thing that we saw was that there was a demand for this type of report, but in the large firms because so many things were happening and there were so many scandals and so many directors were on the wrong side of the law, that naturally the large firms had to smarten up their image a little. Then at that point, I particularly saw that there was a need and in fact the big firms came on board like crazy, but I didn’t see the need for the smaller and medium-sized firms”. [M, SME, food Sector, MD]

The behaviour of other firms

The fact that organisations with a presence in the business environment of the firms under study began to draw up TBL reports has been stressed as one of the factors that focused managers’ attention on the need to look closely at the reporting practice that they would eventually make themselves:

“We saw what Shell was doing, we saw what Shell and BP were doing, […] you look at their report and you say, I have to try and do the same thing ” [D, large firm, energy sector, DSR]

“It was then that we started to hear people talking about Global Reporting and about the first RENFE report on the AVE (I think it was in 2001) and then we said, well let’s see what the method calls for, if we can get there or not, what the deadlines are or what have you, but working as always to the most demanding standards. And so we launched the first one in 2002” [F, large firm, supermarket distribution, DSR]
However, the emergence of these reports not only mimicked the first adopters but also their evolution was guided by constant analysis of business practices. As often stated by some interviewees, an exchange of knowledge and experience occurs that leads to a mutual acquaintanceship and learning between firms.

“It’s all there on the outside, you don’t have to invent anything, and what’s more, by talking to other firms, I mean, we are very proactive at meeting firms. In fact this year we have a project to identify best practice, and we have set ourselves the objective of visiting 6 firms. For each one of the selected themes we have selected a firm, and from this point up until the end of the year we’ll go out and visit them, we tell them how we do it, they tell us how they do it and we’ll all learn” [C, large firm, energy sector, QD]

Stakeholder interest

At the same time as executives, in the midst of all the social clamour, saw the potential for CSR and SED, they also paradoxically assert that no specific stakeholder interest was perceived (Adams, 2002 found the same results in both the German and the English context). In other words, there is a perceived pressure for SED at the macro-level (social concern) coupled with an absence of interest at a micro-level (disinterest of stakeholders).

“People don’t ask for what they don’t know or doesn’t exist. It’s the offer that generates the demand at first, that goes for everything. People didn’t demand sustainability reports because they didn’t know that such reports existed, it’s the firms that say we are going to draw up a sustainability report and this is a very recent thing. Those so-called stakeholder groups don’t come here to say – heh, we want a report.” [B, large firm, chemical sector, DSR]

“I really did not notice that there was any pressure to undertake these types of reports, no, we never felt that pressure” […] direct stakeholder pressure that said –heh, you should do this-, well no, I don’t remember it that way” [E, large firm, transport sector, ED]
There is a generalised view that the interest of stakeholders in TBL reports was not even awakened after the reports began to proliferate in Spain. The systematic absence of suggestions, criticisms or any type of commentary on the content of TBL reports is evidence of stakeholder disinterest. For some interviewees, this might impinge on the progress of TBL reporting. The perception of the interests of particular stakeholders on SED was then explored. Discourses emerged regarding particular stakeholders such as customers, environmentalist, shareholders and the governments. As regards customers, interviewees believe that they ignore SED for their decision making.

“When they tell me -no, in the end all this is to sell more-, well, I only wish it were true! Because our typical client is a fifty-or-so-year-old housewife and the truth is... talk to them about social responsibility or sustainability, and I think that very few would know what you were talking about [...] In our case as regards the consumer I think that the concept of sustainability and social responsibility, not only as a report, but also as an attitude when out shopping, leaves us with a load of them to do and it’s key to making the concept work. Because without the client or consumer who values a particular product more than any other because it has social value or sustainability behind it, well you tell me what future we have” [F, large firm, supermarket distribution, DSR]

The previous literature is split on the assessment of the role played by environmentalist groups in SED, between those that think that their pressure is an influential mechanism (Deegan and Gordon, 1996; Tilt, 1994), and those that assign them a more secondary role (Neu et al. 1998). In only two of our cases have interviewees singled out public pressure exerted by environmentalists as a driving force for SED. These two firms, not quoted on the stock exchange, could be characterized as environmentally “sensitive” and seem to have increased their disclosure subsequent to some sort of problems with local communities. As it comes to whether shareholders are at present using TBL reports for their decision-making, contrasting views are expressed by the interviewees in larger firms, ranging from those that believe in the existence of ethical investors, probably mediated through indexes and funds, to
those that state that currently investors are not interested in the content of these reports. These two views are illustrated in the following excerpts from interviews:

“Shareholders have always had, without a doubt, they’ve had an interest in gaining their well-earned money according to the capital that they’ve invested, but other things have also concerned shareholders for a few years now; the proof is that they do not only invest in the most profitable companies, in those which have the healthiest balance sheet, so to speak, but they also invest in those companies that offer better results in the environmental field or sustainability in general. How do they know that, which are those companies? Well through information. What information? Well, fundamentally what comes in these reports, so a lot of investments funds are influenced by this” [B, large firm, chemical sector, DSR]

“We carried out a survey with investor groups on the CSR report, and received quite a lot of replies; the great majority of them more or less said that what the report tells them is not a motive for investment, nor is the management policy on corporate responsibility. That is what the shareholders have said, the investor groups I mean, not the shareholders, the investor groups. They said that they saw it as very important in the future, in other words its importance is going to grow, but not at present, at present it is not a motive for investment” [E, large firm, transport sector, ED]

In contrast with the limited role played by the disinterested stakeholders considered so far, the endeavours of different governments to promote CSR, by establishing forums for debate and awards for good practice as well as by providing financial resources in the form of grants, have been highlighted (specially by some SMEs and firms that are not listed on the stock exchange) as an important stimulus for SED in Spain. In fact, three out of the six SMEs analysed, are located in the same province, from among which two stressed the significance of subsidies provided by the local government for the decision to make social and environmental disclosures. Governmental interest in SR and its influence on the behaviour of firms is illustrated by the following account

“Why did we get to this point? [to the report] because we were examining the need for a powerful communications tool linked to many things. Firstly, a trade fair “X” that we had to attend, secondly, we signed a voluntary agreement on improving the environment with the “X” Government, and they said to us, -heh,
regional government likes statistics a lot, it likes to be the autonomous community with more EMAS certificates, with most GRI reports, and so we asked ourselves, “Why don’t we draw up a GRI report?” [N, SME, cement sector, ED]

Media coverage

Although the media and the “experts” (see below) could be considered as stakeholders, and therefore included in the previous discussion, given the importance attached to them by interviewees, it is worth singling them out under separate headings. In line with previous literature (Brown and Deegan, 1998; Deegan et al. 2002), the importance attributed to the media in the development of TBL reporting in Spain seems to be related to its ability to reflect or shape the expectations as well as the perceptions of other stakeholders. Hence, the CSR manager in a Spanish transnational firm states that the first report was drawn up because

“[…] we begun to see a demand all around us, when I say all around us I mean in the media that in some way are out there saying whether the firms do or don’t do CR reports” [C, large firm, energy sector, CD].

The distinct role of the media stems from their multiplying effect of the voices of both the company and its stakeholders. On the one hand, interviewees think that the media play an educational role in amplifying the messages that the company transmit through TBL reports:

“[…] we need the media to raise public awareness, they are the opinion makers. To the extent that they do not raise the awareness of the general public, then only with great difficulty is public opinion going to demand these reports” [A, large firm, mobile telephony, DSR]

In this respect, the influential power of the media in TBL reporting is perceived as an opportunity rather than as a threat, as expressed in this large firm:
“The media [and] the institutions that work on corporate responsibility are always stressing the percentage of firms listed on the stock exchange that do publish the report. There’s an implicit loss therefore, we could talk about a loss. Those who don’t do it are losing out on opportunities from the corporate responsibility point of view or in terms of their reputation” [I, large firm, energy sector, CD]

On the other hand, the media also serve to amplify the voices from outside. In a large environmentally sensitive Spanish firm, one interviewee describes one much more reactive picture of the influence of the media for the initiation of TBL reporting.

“When the media, when somebody gives them a call to report something, well they don’t inform clearly, they publish things that aren’t true, and what’s more the environmentalist groups, as they have the job of piling on the pressure, well they pile it on and people don’t stop to listen to the firms, they listen to the media instead and to the environmentalists, and then we’ve got problems. So for us, the only possible reaction for us is to be at loggerheads with them all day, which is a game we don’t play anymore, or try to have a proactive approach to providing information to interest groups, and that’s the road we’re going down” [G, large firm, urban waste management, ED]

The opinion of the “experts”

As mentioned before, one category of stakeholders seems to be particularly influential in the initiation of TBL reporting, that we call the “experts”. It includes clubs set up unilaterally by large Spanish firms, organisations backed by civil groups, consultancies, multilateral international institutions and agencies specialising in the analysis of stock exchange indexes.

What characterises these experts is the adoption of a particular conceptualization of CSR that leads them to propose practices that are consistent with their conceptualization, as well as procedures for their implementation and assessment. This is paramount from a social accounting (Gray, 2002a) perspective, as those experts are weakening a democratic debate, and defining, the scope and content of CSR and TBL reporting. It seems that experts play a
role that would otherwise correspond to stakeholders such as employees, clients, suppliers, local communities, government and shareholders, as was often expressed in the interviews:

“It is an open debate right now in the world of the experts and I think that the report is above all a letter of introduction in this world. It lets them know you’re there, lets them read “ah well you’re OK or you’re in bad shape” and it is a little of all that. But I don’t think that it reaches important groups” [F, large firm, supermarket distribution, DSR]

“I think that the great challenge we face is to manage to stay in people’s minds, to be a channel through which you communicate all of your advances to your interest groups”. That is a challenge that has to met because I think that it has been demonstrated and many firms say as much, that the report is made for a handful of people, it is not drawn up for everybody” [C, large firm, energy sector, QD]

Those experts include stock exchange analysts and thematic business associations. It is hardly surprising that stock exchange analysts, who assess whether or not firms are suitable to be listed on indexes such as the DJSI (Dow Jones Sustainability Index) or FTSE4 Good Index Series, should wield influence. Their “sustainability” assessments of large quoted firms determine the decision to draw up a report as well as their subsequent evolution.

“The presence on the Dow Jones Sustainability Index is closely related to the preparation of these reports and everything we say here. Because really in the end, we also try to introduce what they’re asking for in a good part of the things that we say” [H, large firm, energy sector, ED]

Perhaps more interesting is the influential role played by thematic business associations that we refer to here as “experts’ clubs”, where large firms exchange information with the aim of establishing coordinated patterns of behaviour in matters relating to CSR. These clubs of experts were either established over recent years as events progressed due to the upsurge of CSR in Spain or had already been working in areas related to sustainable development since the mid-1990s, and subsequently incorporated the study of CSR and the preparation of TBL
reporting. Directors of large firms (often direct competitors) review the concepts revolving around CSR, analyse different theories (defining often their own approaches) and study ways of managing their implementation in their own organisation. On such example is the *Club de Excelencia de la Sostenibilidad*” (i.e. Sustainability Excellence’s Club). Their influence spreads out to the rest of the business network through specialised courses, conferences or masters courses in collaboration with some business schools. The role of dynamic leaders and opinion formers played by these clubs between the large firms has very often been noted by the interviewees in reference to the conceptualisation of CSR,

“We are part of, founding members of the so-called “Club de Excelencia de la Sostenibilidad” in Spain, there are 22 firms I think [all large firms], and we have created our own concept of sustainability, but there are no major debates, or to put it a better way, no divergent points of view. Opinions on the concept of sustainability generally coincide from the business point of view.” [B, large firm, chemistry sector, DSR]

as well as in the subsequent development of the criteria for responsible management and the drawing up of the TBL report.

“In the Club de Excelencia de la Sostenibilidad] there is a self-evaluation tool that is at a pilot project stage but firms that belong to the club test it out and it is being fine-tuned. I see it as a little like the EFQM model. It gives you points from 0 to 1000 and as you progress with particular concepts or indicators, then you have your information there and it gives you information on what the others are doing because in the end all of this stays inside the company” [C, large firm, energy sector, QD]

“We are members of the “Fundación Entorno”, that also works on these matters, in fact our first sustainability reports for the Global Reporting Initiative were drawn up with the active involvement, and the help and assessment of the Fundación Entorno”” [I, large firm, energy sector, CD]

For some of the interviewees, the influence of these clubs is so significant that they have come to call them “lobbies” or even CSR “gurus”. 
“There’s an exchange of information there [in Club de Excelencia de la Sostenibilidad], of opinions, theories on CR gurus, that’s what I’m talking about. [the Gurus are] people who are in similar jobs to mine, who start to mug up on this, and start let’s say… there are even those who start to put together their own theory or version” [J, large firm, mobile telephony, DSR]

A further example of such clubs is the Spanish Association for the Global Compact, created after Kofi Annan’s call in Davos, which seems to have motivated the diffusion of CSR practices in Spain, although the Global Compact itself does not appear to exert significant influence over the specific content of the reports. In this sense, various executives from the large firms tacitly refer to compliance with the directives of the Global Compact (see table II) as not implying a significant change in the behaviour of large Spanish firms, which for them is due to obvious reasons for compliance in a developed country. Nevertheless, among some non-quoted firms, the United Nations approach does seem to carry significant weight in the process of drawing up the reports. In this same context, the executive director of an SME stated that he saw the needs of his firm as being closer to the philosophy that guided the UN approach than those of the clubs broadcasted through Spanish business schools.

“Last year, “ESADE” [Business School] brought out guidelines to be applied as …[a code of conduct for sustainable firms], but of course we saw that this was aimed at the large multinationals and we understood that by working from within the SMEs we can also do a lot of things, not with that reputation, or with the same weight, or publicity but yes, we could do things that day by day would create a pattern. Then we thought that the project put forward by Kofi Annan, by the secretary of the United Nations, which is the Global Compact, was more up our street, or was closer to our position” [M, SME, food sector, MD]

The drafter of a TBL report in a large cooperative went even further by describing the criteria which she felt should guide CSR and should be developed from the standpoint of the international multilateral organisms,
“I think that as we are talking about concepts that go beyond frontiers and beyond actions, you have to follow what the multilateral organisms have to say. So in that sense, the concept of sustainability that guides us is that of the United Nations. If the United Nations were to define another approach or make modifications or specific changes then we would integrate them here. That is why we are in the United Nations Global Compact, that is to say, for us coherence as a criterion is important and to have a concept behind you that backs up everything you do is for us the way that we always have to start to work things. […] I am a lawyer by profession and from my point of view international law seems to me to stand for something and I think that the United Nations is the best we have at the moment. Greatly improvable but the best that we have at an international level to set our house in order a little and to reach agreement” [F, large firm, supermarket distribution, DSR]

4.2. ORGANISATIONAL FACTORS

In this paper it is argued that focusing only on institutional (external) factors will only provide a partial explanation of SED. This and the next section explore the role that organizational and individual factors played in the initiation and development of TBL reporting in Spain. A cursory examination of TBL reporting in Spain reveals that this practice spread in a relatively short period of time and that its implementation, together with other CSR practices, does not seem to have caused a dramatic change in their standard working practices. These two observations beg the question of whether other drivers existed that were already in place and facilitated the adoption of such practices. Three drivers seem to have played a key role as facilitators or inhibitors of TBL reporting: the core values of the firms; the resources and capacities of the organisation; and change and internal conflicts.

*The core values of the firms*

The consistency of the philosophy underlying social and environmental reporting and the core values of organisations seems to have enabled firms to initiate TBL reporting. For example, one interviewee explained the launch of TBL reporting in his SME in the following way:
“For “X” it is sustainable development. It is an idea that we put forward when “X” was launched 26 years ago. We hardly even used that word at that time (...) but what we were clear about and that is behind the business philosophy and culture that we have followed in “X”, is that a firm must involve profits, it obviously has to have an economic part to it, it has to have a social part that allows people to develop their skills as far as possible, at work, as consumers and in their leisure time, and at the same time it has to be in a position to improve the planet, we should improve what we leave behind, what we have and what we are going to leave behind us afterwards. That is basically the idea that we had in mind when “X” was launched” [O, SME, property sector, MD]

The harmony between TBL reporting and organisational values seems to be closely coupled with firm’s ownership structure. Those firms examined in the hands of workers, consumers, public administrations and civil organizations, as well as small family-sized firms seem to be more aware of stakeholders and tend to reconcile their respective interests in their daily management. For some of these firms preparing a sustainability report is perceived as a natural step forward that represents continuity in their standard managerial practices. The following quotes by sustainability report preparers illustrate such stance:

“We are a consumer cooperative in origin and under the 1984 law we are furthermore a consumer association. So we have, let’s say, a series of experiences in reconciling the interests of the worker and those of the consumer. It is hardly surprising that both collectives are equally represented on the board of governors, which is the maximum decision-making organ” [F, large firm, supermarket distribution, DSR]

“We are an employee-owned company, which means that the company belongs to the workers, which represents a very important part of the whole” [O, SME, property sector, MD]

“Social responsibility is let’s say, you could almost say in the genes of the Savings Bank, it has always been there and we have always carried out a great deal, a very great deal of social action, etc.” [K, large firm, financial sector, DSR]

“In family firms the values and the identity of the firm are experienced in a different way to a large firm. The way that the firm is understood is passed down from one generation to the next, as is its involvement with workers, the intimate
relations between all of its parts, and the values promoted by the firm itself, well all of that is passed down” [M, SME, food Sector, MD]

“It is a public firm for which reason it is or we understand that it is, driven by a certain sense of duty, in general […] we are obliged to be somewhat of an example to other firms, which is why we go that one step further, despite everything that we’ve done: an ISO 14000 on the environment, with the edition not only of environmental reports, but also of sustainability reports in line with GRI guidelines. […] On this point, we understood that because of our public profile we should be able to obtain a series of resources to get this going [L, large firm, transport sector, ED]

Resources and capabilities

Experience with total quality and environmental management systems, as well as with preparing reports seems to have been a source of synergies that have facilitated CSR practices in the organisations under analysis. This was specially the case of firms in environmentally “sensitive” sectors that used to publish environmental reports.

“We had […] tools to gather the information, people to do it, experience elaborating environmental reports, a communications company to design it, so we did it [the sustainability report]” [N, SME, cement sector, ED]

Albelda, Correa and Carrasco (2007) found out that the implementations of the European Community’s Eco-Management and Audit Scheme (EMAS) not only increased the skills and expertise of employees, the commitment of managers and cross-functional coordination and communication, but also improved the embeddedness of environmental concerns in the organizations. The interviewees also noted the existence of synergies between CSR and the previous EFQM systems.
Change and Internal conflicts

TBL reports are not only conceived as the result of a process, but also as a means, a management tool for organizational change. The report is not only addressed at the outside, but also at internal audiences. Implicit in the process of drawing up the reports is the collection, the measurement and the analysis of information that seems to be helping firms to become more aware of themselves, to know themselves better and to be able to compare themselves with others as well as with their past performance. Thus, different interviewees highlighted the process of drawing up the reports as playing a role in the implementation of significant changes within organisations.

“We are changing in the sense that we are putting our house in order and starting to manage ourselves more according to the content of the report. The report is also serving as a management tool […] The way we work is also changing as the report evolves” [R, large firm, building sector, ED]

“Also drawing up the report in line with GRI, as you question things and you set yourself challenges, I mean to say that it is a little as if you were on a forced march to wherever you were going, it makes you get a move on a little more, because it’s demanding and you have to honest when you answer it because if not, it wouldn’t make any sense. I think all that makes it a sort of driving force” [P, SME, food sector, QD]

These organisational changes seem to bring with them conflicts within the organisation concerning not only resistances to change, but also who governs the change. As pointed out also by Adams (2002) a conflict at the launching of the reporting process stems from the power struggles between the different departments for the control of such process within the organisation. One interviewee from the communications department in a Spanish multinational firm describes this process in her organization.

“there was a moment when nobody knew who was going to take the whole caboodle forward, something which happens in all firms, nor did we know how it was going to be organised. Those in the environmental department pushed and pulled and wanted to write sustainability into everything. Communications
wanted to stamp CSR on everything, those from I don’t know where wanted corporate responsibility, and in the end... Who got the job? Well the person who made most noise, there was no intellectual reason. […] there are still departments that resent this situation” [C, large firm, energy sector, CD]

Resistance to change plays a complex role in TBL reporting. On the one hand, there are accounts of resistance to the initiation of TBL reporting, not only from the top of the organization,

“This report was put together in 2001, it was the 2002 one, it was never published, […] it is an excellent report, but it was never published, and it was never published, because some of the directors at that moment in time... some of the directors, I won’t say all of them, but some of the directors who have to take the decisions over publishing this and that, were not convinced, they didn’t understand it” [C, large firm, energy sector, CD]

but also from the employees in charge of implementing the changes that are necessary:

“There were some very hard times I think with some people who had to provide you with information and who didn't want to, who went beating around the bush and who didn’t send it to you, who sent you really very badly done work, that you however couldn’t, couldn’t do a thing with, people who then got cross because you put this or that and not the other” [C, large firm, energy sector, CD]

On the other hand, the interviewees also stressed that just as the implementation of the CSR criteria is an important source of internal conflicts, the conjunction of TBL reporting with the legitimacy provided by external experts could bring with it implicit mechanisms to soften those focal points of resistance:

“What AENOR [Spanish Association for Normalization and Certification; Spanish Associate of ISO] tells us, which is that in I don’t know what section we’ve done a good report, well it helps us deal with management because we are stronger, so that later when we have to pass on the improvements that we have to do, well they'll be that bit more credible” [H, large firm, energy sector, ED]
And a similar observation was often made with regard to the resistance of employees. The process of drawing up the TBL report seems to have the capacity to “raise awareness” and “educate” internal actors and engage them personally in the process.

“[The report] has served on the one hand to raise awareness in the different areas which were perhaps not so involved in these matters and to move them towards what we wanted. Also, when it comes to taking action, it is easier if they already know and are already involved in the publication and in what there is to be done” [I, large firm, energy sector, CD]

4.3. INDIVIDUAL FACTORS

Finally, a set of driving factors emerged at a third “level of resolution”: that of the individuals engaged in the process of TBL reporting. Individual factors seem to be very important in SMEs, as expressed in the first person by some interviewees:

“I’m here as the big gun, the animator, the agent of the organisation, so in some ways I feel it more than anybody. I try to get it moving by creating concern […] if you have to pull your organisation along with you, you have to be more convinced than anybody” [P, SME, food sector, QD]

Apart from the observation of the relevance of individual factors in SMEs, this driver could be analytically interpreted according to: the proactive attitude of the actor; his/her ethical and moral values; and his/her personal views on sustainable development.

Proactive attitude

Proactive attitude is a psychological characteristic of the individual (the executive who leads the initiation of SED) that indicates a tendency to seek out new ideas and new initiatives that improve the actual conditions in which the organisation is found (Bateman and Crant, 1993; Crant, 2000). The importance of this driver of SED was highlighted by Ullmann (1985) who
referred to then “active strategic posture” (see also, Roberts, 1992). One CSR executive in a Spanish multinational asserted that the idea of implementing CSR practices,

“arose from the uncertainty of specific people here to take up the idea and we started to think about it, to read up on it, to draw up benchmarks, and that sort of thing, to analyse it and to say, this might be one way forward, we proposed it to management and management told us to study it.” [D, large firm, energy sector, DSR]

**Ethical and moral values of the manager**

Alongside their proactive attitudes, the values and personal convictions of managers also seem to be a key driver for SED: some of the managers interviewed have specifically expressed their personal commitment to CSR beyond their professional duties and purely economic objectives. Some executives have gone so far as to affirm that they have a “vital” commitment towards the sustainability of their firm.

“Being in the firm, in a social responsibility department is a way of having the resources to do things in which you believe” [F, large firm, supermarket distribution, DSR]

“We have to get a handle on good practice, the future of the environment is our children’s future, social issues are everywhere in our society” [Q, SME, building sector, AD]

“If the firm were only an economic entity, or a business, I don’t know whether or not I would continue to be a business person, I understand it as being much more than all that” [M, SME, food sector, MD]

“[…] I find a particular personal satisfaction in moving this dynamic process forward on the inside and making sure or trying to make sure that business is, when say... they make their purchases, well, taking something more than pure economic profitability into account, pure short-term results in themselves” [H, large firm, energy sector, DSR]
It seems that this factor has less influence in large multinationals, where undoubtedly institutional factors play a more important role.

*Individual’s views on sustainable development*

A final factor at the individual “level of resolution” that might be exerting significant influence in TBL reporting is linked to the conception of sustainable development held by key actors. According to the views expressed (particularly in the case of large firms) sustainable development, as conceived in firms, is not linked to ecological sustainability but to the persistence of the organization as it is (see Adams, 2004 or Gray 2006, for the same finding). In some cases, the managers have even made it quite clear that global sustainable development is not compatible with their business activities (despite calling the report they draw up a “sustainability report” in relation to global sustainability). The following quotes might reveal the possible influence of the “faith” of those in charge of drawing up the reports in the possibility of achieving sustainable development. The first, quote illustrates the most widespread feeling in the words of a manager responsible for drawing up the TBL report of a large firm in the services sector.

“We would uphold the classic definition of sustainable development, to protect the environment for our generation, that is, to develop ourselves as a firm without compromising the environment, or current or future generations. This is almost a philanthropic definition of what sustainable development is, as a philosophy. For us it is a definition but I don’t think that it is adapted to the real world of firms […] I think that sustainable development for the majority of firms is all that effort that as firms we put into our work to create a safe and peaceful setting in which we can progress in the short, medium and long term” [G, large firm, urban waste management sector, ED]

The second quote from an interview with the manager of a small firm from the food industry illustrates a very different standpoint.
“My personal contribution? Well, great satisfaction from having focused the firm on sustainable development and those values and pillars, as I understand that it is possible, that is can be done, sometimes they tell me that it is a utopia but I remain convinced that as people we have to move towards utopias, I think it’s possible. Some clients never really get it, because they say, “Great and the price of the product, does all that mean you’re going to let me have it any cheaper?” I say, “No. They’re two different things. But anyway little by little they get used to the idea” [M, SME, food sector, MD]

5. DISCUSSION AND CONCLUDING COMMENTS

Inspired by previous literature (Adams, 2002; O’Dwyer, 2002) that drew our attention to the limited explanatory power of extant theories on SED, this paper conducted a field study of the drivers that motivated the recent emergence of TBL reporting in Spain, deciding to investigate them at different “levels of resolution” (Gray et al., 1995b; Gray, 2002b), understanding that the investigation of either only external or only internal factors limits our knowledge of the complex realities that surround SED (Adams, 2002). This course of action has revealed the importance of the confluence of both factors (represented in the figure 1) that enables or inhibits the decisions and the process that lead to the elaboration and publication of a TBL report. The present study found out that: (a) there exists a “general” confluence of external and internal factors in that all institutional, organizational and individual factors drive the decision and the process of preparing a TBL report; and (b) there exist particular confluences or “coalitions” between factors at different “levels of resolution” and these “coalitions” are powerful inductor or inhibitors of change, as already posited by Larrinaga-González and Bebbington (2001).

[Figure 1 about here]
Section four provides an account of particular coalitions of factors identified in the field study. To provide just a few examples, proactive individuals are more likely to have an impact within their own organizations if they find other organizations in their institutional environment that provide them with benchmarks. There also exists a multiplier effect between personal and organizational values or between proactive individuals, resistance to change and external “experts”. The direction of influence in such coalitions is not always clear; for example, mass media arguably mediates in both directions between individual, organizational and the remaining institutional factors. These findings confirm the arguments in previous literature (Adams, 2002; Gray, 2002b) on the need for simultaneous study of external and internal drivers of SED.

The analysis at each level of resolution also yields significant insights on the emergence and development of TBL reporting in Spain. First, as regards institutional factors, a causal relationship could be inferred between a pressure at the macro level derived from financial scandals (rather than from a concern about sustainable development itself) and TBL reporting, further reinforced by benchmarking and the role of experts. The role of media is not negligible, but its role, according to the interviewees, could be different to what is usually expected, as the media do not only amplify social concerns (see Brown and Deegan, 1998 and Deegan et al. 2002), but are also used to “educate” stakeholders, influencing their expectations and perceptions. On the other hand, as might be expected, institutional factors seem less significant for TBL in the case of SMEs and cooperatives, except for the role played by the government. Interviewees also asserted that stakeholders do not seem concerned about the content of TBL reports, do not demand them explicitly, and do not provide any feedback on their contents, corroborating Adams (2002) rather than Tilt (1994) and Deegan and Gordon (1996). Paradoxically, while interviewees see stakeholder interest as a keystone for the development of TBL reporting, the organizations do not seem to have
developed appropriate mechanisms for stakeholder engagement. This picture does not conform to the social accounting normative archetype of SED as a mechanism for the discharge of accountability (Adams, 2004; Thomson and Bebbington, 2005), but rather to an activity that responds to institutional financial stakeholders and their concerns over financial scandals.

Apart from the motivation to initiate TBL reporting (discussed in the previous paragraph), two different factors played a key role in the institutionalization of TBL reporting in Spain: the importance of collaboration and benchmarking between firms and the influence of experts. It is argued here that these two factors could explain why TBL reports in line with GRI that were prepared by Spanish firms increased from 9 in 2002, to 98 in 2005 (according to www.corporate.register databases; accessed 03/03/2008). The present study shows how the sustainability reporting field has become a collaborative space between companies that arguably compete with each other, but which also meet in the same clubs to pursue common purposes. Those clubs were very active at defining the scope and content of corporate social responsibility, spreading social and environmental disclosure. This finding, in conjunction with the lack of accountability discussed previously, would indicate that firms decide to collaborate to engage in a collective process of what has been described in the literature as managerial capture (O’Dwyer, 2002; Moneva et al., 2006). Another important driving force of the institutionalization of SED illuminated in this study stems from the influence of groups of experts. The preferences of experts on CSR, with different backgrounds and power, appear to have a significant influence on the scope and content of TBL reports, rather than the interests of a broad range of stakeholders. Interestingly, the way in which firms align forces as a result of groups of experts, and its consequences for SED is an unexplored area in social accounting research.
Secondly, concerning organizational drivers, there exists a relationship between TBL reporting and the core values of firms, in which the ownership structure or the size of firms (as asserted by interviewees) has an association with how firms approach SED. The direction and sign of such an association seem to depend on the confluence of institutional, organizational and individual factors. In this respect, although more research is needed in this area, the approach of transnational firms, which are subject to international financial markets and have a shareholder orientation, seems to be less transparent and naïve than the approach of SMEs, cooperatives and non-for-profit entities, mostly operating locally and characterized by what Smith, Adhikari, and Tondkar (2005) refer as a more communitarian perspective of many continental European countries. The confluence of institutional and organizational factors in this case is apparent. An additional finding at the organizational level of resolution is the reflexive role that SED plays in organisational change (Gray et al, 1995a; Larrinaga-Gonzalez and Bebbington, 2001). TBL reports could be the outcome of changing organizational values, but it is also acknowledged that TBL could play a role not only in legitimising the corporate behaviour vis-a-vis the public (external legitimacy), but also in overcoming the resistance of those that hold the power to allow the initiation of CSR practices such as TBL reporting (internal legitimacy). This is specially so in large companies, which also need a confluence of rhetorical factors (e.g. benchmarking, recommendation of experts) to break down internal resistance and assuage conflict.

Finally, the results obtained in this study also underscore the need to consider the individual analytical level. The proactive attitude of managers, their personal values and their opinions on the possibility of achieving sustainable development, all seem to be important internal driving forces to SED. This is specially the case of SMEs, where it could be maintained that institutional factors (with the exception of governmental promotion) are replaced by the characteristics of the individual. In any case, TBL reporting is facilitated by the confluence of
factors (e.g. coherence of personal and organizational values). Although, previous studies (Bebbington, Gray, Thomson, and Walters 1994; Deegan, Geddes and Staunton 1996; Wilmshurst and Frost, 2000; Adams, 2002; Collison, Lorraine and Power 2003; Cormier et al. 2004; Kuasirikun, 2005) were concerned by the actors’ perceptions and attitudes towards SED, very little is still known about the influence on SED of their cognitive characteristics, attitudes, values and personal views.
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Appendix

Semi-structured interview guide.

1. What is, in the opinion of the firm, sustainable development?
2. What is, in your opinion, sustainable development?
3. Why did the firm decide to tackle sustainable development?
4. Is sustainable development integrated in the corporate values and/or in the decision making process? How is it?
5. How does the firm contribute to the sustainable development? And what is your personal contribution?
6. Why did the firm decide to prepare a sustainability report?
7. How does the firm decide if one data or information must be report or not? Which persons and departments are involved in this decision? What is the role of the accounting department?
8. Which are the inconvenient or advances of publish TBL reports?
9. Did you fell that the society in general or any social group in particular were demanding TBL reports when you decide to publish it?
10. What kind of benefits do you want that the stakeholders obtain with the TBL report? Why?
11. How is being the feedback with the stakeholders about the TBL report?
12. Why did you choose GRI guidelines to prepare the TBL report?
13. How TBL report is put into public domain?
14. Which other information media do you use to describe the social and environmental performance of the firm?
Figure 1

Mapping the driving forces of SED

Institutional Factors

Organizational Factors

Individual Factors

Stakeholders' interest

Resources & Capabilities

Media coverage

Manager's faith

Firms' core values

Social concern

Proactivity

Personal Values

Resistance to change

Experts' opinion

Benchmarking
**Table 1**

Interviewees’ profile

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<th>Industry</th>
<th>ED</th>
<th>MD</th>
<th>AD</th>
<th>DSR</th>
<th>BD</th>
<th>CD</th>
<th>QD</th>
<th>LD</th>
<th>SME</th>
<th>LFUL</th>
<th>LFL</th>
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**Notes.** ED = a member of the Environment Department; MD = Managing Director; AD = a member of the Administration Department; DSR = a member of the Department of Social Responsibility or Sustainable Development; BD = a member of the Board of Directors; CD = a member of the Communications Department; QD = a member of the Quality Department; LD = a member of the legal department; SME = a small and medium-sized enterprise; LFUL = an large firm not listed on the stock exchange; LFL = a large firm listed on the stock exchange.