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Increasingly, researchers in the field of Social Environmental Accounting (SEA) need to justify their method when collecting empirical data to support opinions regarding the merit of approaches to managing, measuring and reporting of SEA. According to the literature, the most popular method used has been content analysis.

In the Social and Environmental Reporting (SER) literature, content analysis has been used to evaluate the extent of disclosure of various items in annual reports of listed companies (i.e., Guthrie and Mathews, 1985; Guthrie and Parker, 1990; Hackston and Milne, 1996; Gray, Koucy and Lavers, 1995; Cowen, Ferren and Parker, 1987).

The focus of content analysis has been chiefly associated with annual reports of listed companies. Combining content analysis with a variety of SEA materials (e.g., annual reports, stand-alone environmental reports, internet material, strategy plans, business plans, newspaper articles, etc.) and other methods of data collection should provide more robust empirical evidence for our understanding of SEA practice.

Contemporary work in the SEA, SER and intellectual capital reporting (ICR) literature is categorised and analysed, according to the following:

- normative literature/theory/commentaries;
- focus of empirical investigation;
- quality SER research;
- combined research methodologies;
- content analysis method issues.

**Normative: developing disclosure frameworks**

There has been a number of initiatives that have issued extended performance frameworks, for instance, the Institute of Chartered Accountants in England and Wales's (ICAEW 2004) review of reporting initiatives. Yongvanich and Guthrie (2004) reviewed intellectual capital, balanced scorecard and social and environmental reporting to demonstrate that the emphases of these reporting approaches were complementary and could be integrated; they developed an extended performance reporting framework which provides both economic and non-economic performance information. Adams and Guthrie (2005) identified several
In this second edition of the APCEA Journal for 2005 Professor James Guthrie considers content analysis, especially in the context of recent work in intellectual capital and human resource accounting with which he has had a close involvement.

In the second article Dr Glenn Albrecht paints two pictures of the environmental and social future for the Lower Hunter Regional Planning Area in New South Wales, Australia. One view constructed is of business as usual, while the second view considers life if measures are adopted to address climate change and the oil crisis.

Two calls for papers are made in the Journal, one for a special issue of AAAJ on ‘Engagement: ethical, social and environmental accounting and accountability from inside’; the other is for an International Symposium on Corporate Sustainability Management to be held in Bangkok in November 2005. One component of the International Symposium involves the Environmental Management Accounting Network – Asia Pacific in a session on Sustainability and Environmental Management Accounting.

Finally, Environment Extra draws attention to News Corp going green and AGSM sustainability initiatives.

Readers wishing to contribute articles or news, should contact:

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Articles should be submitted in word format as an email attachment. A pro forma is available for this purpose on request. Articles are subject to independent peer review by members of the Editorial Board prior to acceptance for publication.

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benefits from corporate social and environmental measurement and reporting. In Guthrie, Cuganesan and Boedker’s (2005) study of extended performance reporting by an Australian public sector organisation, they argue that explanations as to why organisations should engage in extended performance reporting are mainly provided from a ‘demand’ side perspective and instead consider a ‘supply’ side perspective.

Focus of the empirical investigation

Petty, Guthrie and Ricceri (forthcoming) identified differences in types of reporting and variations in reporting frequency in order to understand why some companies voluntarily report whilst others do not and considered the effect of company size on IC disclosure. Yongvanich and Guthrie (2005) examined the voluntary reporting practices within the annual reports of selected Australian mining companies, based on an extended performance reporting framework. Abeysekera and Guthrie (2004a) examined the annual reports of the top 30 firms listed on the Colombo stock exchange in a given period, using content analysis.

Combined research methodologies

Combined research methodologies can be divided into two broad themes. First is the use of content analysis of annual reports with semi-structured interviews focusing on human capital reporting.

As an example of this, Abeysekera and Guthrie (2004a; 2004b; 2005) reported on HCR practices in a sample of firms in Sri Lanka, aiming to provide a tool that would then be used to assess the type, amount and quality of HCR disclosures, then to apply this HCR disclosure content tool to a sample of Sri Lankan firms’ annual reports and use the results to contribute to the development of ICR in developing nations.

Boedker, Guthrie and Cuganesan (2005) focus on HC information in an Australian public sector organisation’s annual reports deploying content analysis to identify patterns in the presentation and reporting of internal and external information and gain an insight into which resources and activities are important to the organisation.

Second is the combination of various types of information sets with content analysis and other research methods. For example, Guthrie, Boedker and Cuganesan (2004) investigated IC management, measurement and reporting practices at a public sector organisation, using semi-structured interviews, content analyses of annual reports and content analyses of internal strategic documents.

Haigh, Carlin, and Guthrie’s (2005) report presents analyses of the significance of governance and corporate social responsibility information disclosures for financial investment management practices, compares Australian reporting and management practice to international practices, and provides evidence for public policy debates. This research combines a number of methods (content analyses, interviews and external rating information).

Issues in content analysis

Content analysis of annual reports involves codifying qualitative and quantitative information into pre-defined categories in order to derive patterns in the reporting of information. To be effective, certain technical requirements should be met (Guthrie and Mathews, 1985; Guthrie et al, 2004), i.e., the unit of analysis must be clearly defined, and data capture must be systematic.
According to Milne and Adler (1999), reliability in content analysis involves attesting that the coded data set produced from the analysis is reliable and considering the reliability associated with the coding instrument. Krippendorff (1980, pp. 130-132) considers stability, reproducibility and accuracy as essential for reliability. Guthrie et al (2004) consider reliability in recording and analysing data can be increased by selecting disclosure categories from well-grounded relevant literature, by establishing a reliable coding instrument and by training the coders.

Limitations of Content Analysis

One limitation of content analysis is the recognition that it captures quantity of disclosure rather than quality characteristics. Quantity of disclosure does not indicate what is actually being disclosed. Another is that the subject matter being investigated, that is narratives of SER, must be captured by the coding instruments and this can be subjective.

Summary

This note argues that the combination of either sources of SEA material and/or method of data collection will provide more robust empirical evidence upon which to analyse our understanding of SEA practice.

In terms of the future shaping of the research in this area, this note proposes that the benefits to be derived from broadening the use of content analysis will be:

- the exploration of previously under-researched aspects of SEA;
- the provision of richer empirical observations of actual practice;
- the ability to focus on inside the organisation and assess what is happening in the name of SEA, and, just as importantly, why?

* Based on the plenary at the 16 International Conference on Social and Environmental Accounting Research (4th Australasian CSEAR Conference), 30 March – 1 April 2005, Deskin University.

References


