

SUMMARY OF PHD RESEARCH

Ineke Deserno (email: jhdes2@student.monash.edu.au)

TITLE

Corporate transparency and recordkeeping: the evidence base for sustainability reporting¹.

UNIVERSITY AND SUPERVISION

Monash University, School of Information Technology, Melbourne, Australia

Supervisors: Professor Sue McKemish and Professor Eric Ketelaar

TOPIC OF INTEREST

Economic globalization and the rapid development of information technologies have significantly increased the impact of multinational companies on people and societies around the world. Companies are pressured to disclose information not only on their core business and financial performance, but also on the broader public impact that their corporate activities have, for example on the environment, public health, community, human rights and safety².

Disclosure of information on non-financial matters and corporate social and environmental reporting are indispensable elements of corporate transparency and good governance. Multinational companies publish sustainability reports containing commitments and data on key social and environmental areas. Others integrate sustainable performance information in their annual reports. But critics contend that these reports are for public relations purposes and lack credibility and quality information. Another criticism is that the information reported does not provide tangible evidence nor is the performance measurable or accurately verified by independent monitoring institutions. Multinational companies, such as Shell and Coca Cola recognize the difficulty of providing consistently accurate and reliable social and environmental data for the reports, particularly in comparison to the relative ease of obtaining financial data from financial systems.

Transparency depends on accurate, reliable and complete records and the management of these records. Any report or disclosure of information is only as good as the quality of its source information. In addition, transparency is a function of the degree to which the revealed information provides a fair and complete insight into the overall corporate activities in a certain area. Such reports or information are of little use if records which provide evidence of companies' actions and decisions are not:

- created and managed appropriately;
- identified appropriately as being sources for the statements made in the report;
- reliable nor accurate;

¹ Sustainability reporting is a process for publicly disclosing an organization's economic, environmental, and social performance. The term "sustainability reporting" is synonymous with corporate social responsibility reporting, citizenship reporting, triple-bottom line reporting and other terms that encompass the economic, environmental, and social aspects of an organization's performance. (Definition from the Global Reporting Initiative: www.globalreporting.org).

² Governments have issued on national and transnational level (European Union) transparency regulations that require the disclosure non-financial information by companies. For example: integration of non-financial information in corporate reports, nutritional labeling, and chemical disclosure systems. In addition the external pressure by shareholders, non-governmental organizations, interests groups, academics communities and others is rising on multinational companies to disclose information on the social and environmental impact of their activities.

- complete and only provide disclosure to a fraction of the overall activity.

Detailed guidelines and regulations both on company and legislator level exist for the handling and retention of corporate financial records. However, because of the wide variety and complexity of sustainability topics, records related to social and environmental activities of a company are much more complex, voluminous and spread out over many different locations and departments within a company. Consequently, the records related to these activities are more difficult to create, capture, manage and ensure their reliability, accuracy and authenticity.

RESEARCH QUESTION

The purpose of this study is to gain a rich understanding of the relationship between corporate transparency and records and information management in multinational companies.

The changed business and social environment places multinational companies under pressure to be transparent and accountable for the public effects of corporate activity. In this context, the primary research question is: how can records and information management best contribute to corporate transparency, and in particular to reporting on sustainability performance by multinational companies?

RESEARCH METHODOLOGY

The primary research methodologies will be:

- A combination of theory building and grounded theory development: these research methodologies will be used to build the theoretical framework, to define concepts and to develop the contribution to the recordkeeping theory related to multinational companies.
- Literary warrant: the analysis of the literary warrant will be used to build up the conceptual, theoretical and regulatory framework. Authoritative sources include business regulations, guidelines for sustainability reporting, accounting standards for non-financial data, recordkeeping standards and best practices.
- Case studies with sustainability reporting regulatory organizations, and organizations with extensive experience in providing assurance on sustainability reporting: the case studies will be used to develop a thorough understand of the practices of sustainability reporting and the monitoring hereof. It will also contribute to the understanding of role records and information management in this process.
- Focus group interviews: to complement the findings of the case studies and to focus specifically on the multinationals' context, two focus group interviews will be held: (1) with a group of record or information professionals in multinational companies and (2) with corporate sustainability experts and other corporate sustainability professionals.

CONTRIBUTION OF RESEARCH

Little formal research has been done on the role of records and information management as a support to corporate transparency and sustainability reporting. Findings from this research will be significant in pinpointing the nexus between records and information management and corporate transparency and in particular sustainability reporting. Given the increasing public demand for more transparency relating to the non-financial activities of large organizations, the findings will contribute to the theory and practice of records and information management in all types of organizations.

The theoretical model and framework resulting from this research can be applied to records and information systems designed to collect and process social and environmental data, and to records and information management systems designed to manage records within multinational companies.

Furthermore, the outcome of the research will provide substantive and practical input for:

- developing and/or modifying corporate transparency and reporting guidelines;
- improving the quality of social and environmental data and information;
- managing records which provide evidence of corporate activities that have an impact on the environment, human rights and public health and safety;
- integrating recordkeeping concepts and practices into audit and assurance guidelines reviewing sustainability performance, and underlining the role of records and recordkeeping in assuring sustainability reports;
- integrating recordkeeping concepts and practices into corporate risk management strategies and considerations.

Finally, the research will highlight the important role that recordkeeping plays within corporate information management systems.

ABOUT THE RESEARCHER

Ineke Deserno is a records and information management professional. She is a PhD candidate at Monash University, School of Information Technology, Melbourne, Australia (distance studies) but working from Brussels. She also works as a research assistant at the Vrije Universiteit Brussel. Ineke holds a masters degree of the Radboud University in the Netherlands, followed by post graduate education at the School for Archival Studies in The Hague, Netherlands. She also completed a post graduate certificate in records management at the University of British Columbia in Vancouver, Canada. She has over 15 years of professional experience in international organizations, including UNHCR, IOC and WHO. Ineke Deserno is an active member of the International Council on Archives (ICA) and ARMA International. She has given various presentations at international and national conferences and seminars, and has published articles on archives and recordkeeping.

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