

Impact of Normative Institutional Factors on Sustainability Reporting

Authors : Lina Dagilienė

Abstract : The article explores the impact of normative institutional factors on the development of sustainability reporting. The vast majority of research in the scientific literature focuses on mandatory institutional factors, i.e. how public institutions and market regulators affect sustainability reporting. Meanwhile, there is lack of empirical data for the impact of normative institutional factors. The effect of normative factors in this paper is based on the role of non-governmental organizations (NGO) and institutional theory. The case of Global Compact Local Network in the developing country was examined. The research results revealed that in the absence of regulated factors, companies were not active with regard to social disclosures; they presented non-systemized social information of a descriptive nature. Only 10% of sustainability reports were prepared using the GRI methodology. None of the reports were assured by third parties.

Keywords : institutional theory, normative, sustainability reporting, Global Compact Local Network

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