
RETHINKING CAPITALS: GOING BEYOND THE FINANCIAL

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Stage of doctoral study

I am a second year PhD student at Manchester Business School. I started my PhD in September 2012. My main fieldwork stage is from April to September 2014. The stage of my study in December 2014 will mainly focus on data analysis. My research interest is on sustainability reporting and assurance.

Research Interest

My research is motivated by the desire to understand the black box of the sustainability assurance process, which to a large extent is perceived as a taken for granted accounting phenomena. Existing literatures relating to sustainability assurance have raised questions regarding whether the assurance practice adds value to the assured information (See e.g. Hodge et al., 2009; Simnett et al., 2009; Pflugrath et al., 2011), or what the motives are behind the adoption of sustainability assurance practices by reporting organisations (See e.g. Park and Brorson, 2005; Jones and Solomon, 2010; Sawani et al., 2010). Also, the main focus of existing literatures is on characteristics of the sustainability assurance statements (See e.g. Ball et al., 2000; Perego, 2009; Simnett et al., 2009). By asking those questions, the researchers have taken the assurance process for granted by focusing only on its products.

This sustainability assurance practice has become debatable, because to some extent it is compared with and developed from the concept of financial accounting (Deegan et al., 2006). The concept of financial accounting is less complex than that of its sustainability counterpart (Dando and Swift, 2003). The information in financial reports is coherent and connected. The users of financial information, although are diverse, share the same information need and can be straightforwardly identified. Sustainability reports, however, contain diverse and disconnected sets of information because they aim to address sustainability issues to stakeholder groups beyond those who are only interested in financial issues. The sustainability assurance practice therefore needs to account for more than a quantitative dimension.

Due to the complexity of sustainability-related information, there is a need for a multidisciplinary assurance team which is comprised of experts from different professions. Therefore, the study of the assurance process is crucial to understand how practitioners make professional judgments, reach conclusions, and publicly communicate the results. Besides the unregulated nature of sustainability

assurance and the existence of alternative standards, the practitioners have different professional and educational backgrounds and perceptions of sustainability concept, as this could mean that they conduct the assurance differently (O'Dwyer, 2011). These factors could affect the judgments which they exercise throughout the different stages of the assurance process.

To address these issues, the research focuses on assurance providers, potentially large accounting firm(s), and consulting firms providing sustainability assurance services. The reason that the focus is on the supply-side of the assurance practice is that it aims to gain insights into the practical assurance process and how the assurance providers formulate negotiating strategies with other actors in the network. Besides understanding the assurance process in a practical setting, this research also aims to understand the interactions and negotiations between different actors involved in the assurance process and how sustainability assurance statements represent those actors.

Potential contributions to the colloquium

The concept of sustainability is closely linked to the concept of capitals, especially natural and social capitals. The findings from my research will illustrate how sustainability assurance is conducted in practice and will provide an understanding of the practice from the network perspective. The potential findings reveal how the practitioners assure non-financial information that could relate to the reporting issues and the decision making process based on the information.

One of the benefits of sustainability assurance is to enhance the quality of information so that users can confidentially make decisions based on the assured information. Here, sustainability assurance providers play an important role in the reporting process, incorporating information relating to financial, environmental, and social capitals of the organisations. The findings from my research will interest the other participants or shed some light on missing aspects in order to allow a discussion about different kinds of capitals.

Besides the implications of my current PhD research contributing to the colloquium, the discussions from the colloquium also benefit my current and potential research. The colloquium will expose me to the experts in the concept of capitals that I could further explore and use in my research. Due to the close link between my research and the main theme of the colloquium, the discussion from the event and my work will reciprocally shape each other to progress the knowledge and to bring about new research ideas in this field.

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