The Development of Corporate Web-sites and Implications for Ethical, Social and Environmental Reporting through these Media

Carol A Adams
Deakin University

and

Geoffrey R Frost
The University of Sydney

Published by
The Institute of Chartered Accountants of Scotland
CA House, 21 Haymarket Yards,
Edinburgh EH12 5BH
This book is published for the Research Committee of
The Institute of Chartered Accountants of Scotland.
The views expressed in this report are those of the authors
and do not necessarily represent the views of
the Council of the Institute or the Research Committee.

No responsibility for loss occasioned to any person acting
or refraining from action as a result of any material
in this publication can be accepted by the authors or publisher.

All rights reserved. No part of this publication may be
reproduced, stored in a retrieval system, or transmitted, in
any form or by any means, electronic, mechanical, photocopy,
recording or otherwise, without prior permission of the publisher.

Printed and bound in Great Britain
by Antony Rowe Ltd
The Research Committee applies a rigorous refereeing process to all stages of its research reports. The refereeing process operates by sending the initial research proposal to two independent referees (one academic and one practitioner). The academic referee will either be a member of the Panel listed below or an *ad hoc* referee. All proposals are also reviewed by the Director of Research who remains in close contact with the project. The two referees are consulted on the academic and technical standard of the draft research report. In particular, they are asked to comment on:

- the academic rigour of the document;
- the validity of the approach taken in the report;
- whether the presentation of the report identifies the key issues and brings these to the attention of the intended reader; and
- whether the document will add to the knowledge and understanding of the interested reader.

**Panel of Academic Reviewers**

Professor V Beattie  
University of Glasgow  
Professor J Broadbent  
Royal Holloway, University of London  
Professor J Haslam  
University of Dundee  
Professor J Holland  
University of Glasgow  
Professor W M McInnes  
University of Stirling  
Professor C Mallin  
University of Birmingham  
Professor H Mellett  
Cardiff University  
Professor M J Page  
University of Portsmouth  
Professor C Roberts  
University of Aberdeen  
Professor M J Sherer  
University of Essex  
Professor P Weetman  
University of Strathclyde  
Professor R M S Wilson  
University of Loughborough

The Research Committee is grateful to all those who participate in the refereeing process.
CONTENTS

Foreword ........................................................................................................... i
Acknowledgements ......................................................................................... iii
Executive Summary ......................................................................................... v

1 INTRODUCTION & BACKGROUND ............................................... 1
   Research objectives ...................................................................................... 6
   Research approach ...................................................................................... 6
   Structure of the report .................................................................................. 10

2 HOW CORPORATE WEB-SITES ARE DEVELOPED ............... 11
   Length of experience with corporate web-sites ....................................... 11
   Development of corporate web-sites ......................................................... 14
   Web-Site design and content ..................................................................... 16
   Verification of web-site content .................................................................. 18
   Mechanisms for promoting corporate web-sites ...................................... 20
   Summary .................................................................................................... 20

3 THE CAPABILITIES OF CORPORATE WEB-SITES .......... 23
   Basic web-site design features ................................................................. 23
   The identification and tracking of users of the corporate web-site .......... 27
   The web-site as a communication medium ............................................ 31
   The interactive corporate web-site on ethical, social and environmental issues .................................................................................. 34
   Accessibility of the corporate web-site ..................................................... 37
   Summary .................................................................................................... 39

4 THE WEB-SITE, STAKEHOLDERS AND ETHICAL, SOCIAL, AND ENVIRONMENTAL REPORTING ................ 41
   The audience for the corporate web-site ............................................... 41
The primary purpose of developing a corporate web-site .... 43
The stakeholder audience for ethical, social and
environmental information .....................................44
Other forms of stakeholder engagement on ethical,
social and environmental issues .............................. 46
Summary .................................................................. 52

5 THE WEB-SITE AS A COMMUNICATION MEDIUM .......... 55
The strategic use of the web-site as a communication
medium on ethical, social and environmental issues ...... 55
Advantages/disadvantages of web-based reporting ........ 58
The future direction of web-based reporting ............... 63
Summary ............................................................... 64

6 CONCLUSIONS ..................................................... 67
The limited use of the web-site as a communication
medium for ethical, social and environmental issues ...... 67
Recommendations for improved web-based
communication .......................................................... 69
Future directions for development of web-based
communication to be considered by members of the
accounting profession ................................................. 72
Summary ............................................................... 74

References .................................................................. 77
Appendix One: Web-site survey checklist .....................83
Appendix Two: Questionnaire survey ......................... 89
Appendix Three: Areas Covered by Interview ............ 95
**FOREWORD**

The Internet has revolutionised how we obtain and use information. Millions of people have become accustomed to using Internet search engines as a source of information on virtually anything under the sun.

For rather longer, leading companies have been responding to the call for corporate social responsibility (“CSR”). Part of their response has been to provide information about how they seek to address their responsibilities towards society as a whole, but this has mainly been by way of hard copy reports rather than through use of electronic media. The production of such CSR reports is costly, as is the distribution of them, and the optimum circulation list of existing and potential stakeholders is not always evident to companies.

The rise of the Internet has meant that increasing numbers of companies are now exploring whether it could provide a suitable, and preferred, means of communicating with stakeholders on CSR and other corporate reporting issues.

This research report aims to identify best practice in the use of the Internet as a reporting medium, focusing on how companies are now using the Internet as an alternative means of communicating with their stakeholders. Best practice is considered in an international context by comparing the use made of the Internet by companies in the United Kingdom, Australia and Germany. The researchers hope that this research will enhance understanding of the role that the Internet can play in corporate reporting and how that role can be developed further. The international element of this report should also provide useful benchmarking information on differing corporate communication strategies.
The Research Committee of The Institute of Chartered Accountants of Scotland has long been concerned with initiatives designed to meet the needs of users of financial reports, and CSR reporting is a directly relevant extension of that concern. So we have been happy to sponsor this project and hope that its results will make a useful contribution to the development of current thinking about corporate reporting and the use of the Internet for that purpose.

Nigel Macdonald
Convener
Research Committee

September 2004
ACKNOWLEDGEMENTS

The authors of this research report are grateful to all respondents of the postal questionnaire and in particular to the interviewees of the six case study companies whose candid responses have greatly added to the value of the report. The authors would also like to express their gratitude to Yvonne Laing who played a significant role in the literature search, the development of the questionnaire and web-site surveys and the monitoring of the corporate web-sites. Thanks also go to Janine Coupe for her assistance in analysing the data. This report has benefited from comments made by Vivien Beattie and Ambika Zutshi and has been circulated to all interviewees for comment in particular on the way in which their comments from the interviews have been used.
EXECUTIVE SUMMARY

The Internet is producing a revolution in the way business is being undertaken, with common terms relevant to the Internet such as e-commerce and e-tailing becoming common place over the last five years. The Internet has provided businesses with new avenues in which they can trade and communicate with external parties, with growing evidence that the Internet has become an increasingly important media for corporate communication (Adams, 1999; James, 1999; Lane, 1999).

Concurrently with the increased use of the Internet there has been a growing awareness by companies of their social responsibilities with increasing demands on them to be accountable for their actions and their impact on ethical, social and environmental issues. Corporate reporting on ethical, social and environmental issues has been increasing over the last two decades, however the focus has been predominantly on hard copy versions of the social, environmental, sustainability or annual reports. This has neglected the increased use of alternative reporting/communication media such as the Internet.

Companies have indicated (Adams, 1999) that they see clear benefits to their businesses in being accountable for their ethical, social and environmental performance, which includes the need to communicate on ethical, social and environmental performance. However, these companies do not consider hard copy sustainability reports to be a cost-effective means of reporting to targeted stakeholders. To meet the demands of their stakeholders, many companies are now exploring the use of alternative reporting and communication media, such as community newsletters, direct stakeholder engagement and the Internet.
Research objectives

This research identifies best practice in the use of the Internet as a reporting medium by documenting, within an international context, the processes of how companies are preparing to take advantage of the Internet as an alternative and enhanced means of communicating with their stakeholders (ie other than hard copy reports). The study addresses the following key research questions:

- To what extent does the design of a company’s web-site take advantage of the communication characteristics of the web and what improvements could be made to further enhance the web-site as a communications medium?
- How do companies make use of the Internet as a medium for reporting on ethical, social and environmental issues?
- What is the future role of the corporate web-site as a medium for reporting on ethical, social and environmental issues?

The results of the study should enhance the understanding of the role of the web in corporate communication and how it can be developed to further enhance corporate accountability on ethical, social and environmental issues. The international comparison offered within this study facilitates the benchmarking of best practice. Such benchmarking is important in exploring the opportunities that are available in the use of the Internet as a communication tool, and provide an understanding as to why differing corporate communication strategies are developing.

Research approach

This study sought to observe and benchmark the application of web technologies as a means for companies to communicate on
their ethical, social and environmental performance within Australia, Germany and the United Kingdom. The study included:

(i) an examination of selected company web-sites to ascertain the extent of their use of the web as a communication medium;

(ii) a postal questionnaire to gather data from a broad range of companies on their commitment to web technologies and explore the direction in which web technologies will change corporate reporting and communication; and

(iii) interviews with selected companies to document the use of the web as part of an overall communication strategy on ethical, social and environmental issues.

Key findings

The key findings of the study are briefly discussed below.

How corporate web-sites are developed

The study found a lack of internal expertise to develop corporate web-sites and only 45% of the postal survey respondents had any internal input in web-site development, the remaining 55% of respondents used external contractors. The proportion of companies developing sites internally varied considerably across the three countries surveyed: 36% UK; 42% Germany; 60% Australia. An impediment in the further development of web-sites to report ethical, social and environmental information is that the primary purpose of many corporate web-sites is as a consumer portal. Of the questionnaire survey respondents, 47% had used their web-sites for retail purposes, although this varied by industry group. The provision of content and verification for many companies was an *ad hoc* process, with the manager responsible for ethical, social and environmental issues in many cases determining the content, with
primary responsibility for verification (which includes both correct information and the extent of content disclosed) assumed by the web-site manager. Verification by legal personnel or parties external to the organisation was very limited. This raises questions as to the validity and comprehensiveness of the information provided.

The capabilities of corporate web-sites

The study found a considerable divergence in the capabilities of web-sites utilised by companies. There is thus scope for improvements to be made in the capabilities adopted, to make web-sites more flexible and to use them more proactively in engagement with stakeholders. This is evidenced by findings that: 81% of companies offer a search facility and/or site map; 77% count the number of users visiting the site; 41% track individual web-site users; 22% have a message board; and 35% offer more than one language (most of these being from the German sample). Only one of the six companies interviewed used an on-line discussion forum. Of the 22 sites monitored only two had received Bobby accreditation for partially sighted users.

The web-site, stakeholders and ethical, social and environmental reporting

The study found that customers and shareholders were the most important stakeholders influencing web-site design, whilst the primary users of ethical, social and environmental information on corporate web-sites were considered by the questionnaire respondents to be pressure groups/non-government organisations (NGOs) and government bodies. The main purpose of developing corporate web-sites was to raise corporate awareness and improve corporate image. The priority given to customers, shareholders and corporate image can act as a negative force in the further development of corporate web-sites for the reporting of ethical, social and environmental issues and
using web technologies to engage with a broad range of stakeholders. Nevertheless the interviews revealed some interesting uses of web-sites, for example, providing detailed case studies, providing a facility to give feedback on-line and live discussions. Given the increasing pressure on companies to engage with stakeholders and the facilities that web-sites offer, such initiatives are likely to increase.

**The web-site as a communication medium**

The research found that companies used a wide range of mediums to communicate with their stakeholders. With respect to the web-sites there appeared to be limited development of the technology as a communication medium; rather companies were in many cases replicating hard copy reports. For instance 76% of the questionnaire respondents commented that less than half of the information on their web-sites was new (*ie* not replicated from other communication media), with much of this original material being marketing material. However, there were a number of companies that only provided ethical, social and environmental information on their web-site. Some interviewees also indicated that they would only produce web-based ethical, social and environmental reports when they believed stakeholders had become sophisticated enough (*ie* a greater number of stakeholders accessing the web-site).

**Conclusions**

The findings from the research highlight that with respect to the web-sites, communication on ethical, social and environmental issues is limited because:

- Communication is not the primary objective of the web-site for many companies, particularly those companies involved in on-line retailing and marketing.
There is no strategic consideration of the web-site as a communication medium as the motivation for its development is initially to have a presence without consideration of how it can be best utilised to promote the company.

Development is restricted as a result of a lack of resources being made available to develop and support the web-site as a communication medium.

The research findings show that web-site communication could be improved by:

- Strategic consideration of the web-site as a communication medium by recognising its strength as a communication medium; particularly the geographical reach and the ability of users to ‘tailor’ the information received.
- Creating a dedicated web-site for communication, rather than attaching the information to the retail site. This may not mean a separate site, but at least a web-page that can be easily entered from the company’s home page.
- Dedicating resources to support web-site communication, particularly to support interactive features and continual technical support.

From the study the following future directions for web-site communication are suggested:

- Increased content, not only in archival data but also live data.
- Improved accessibility, particularly in the ability to retrieve and tailor the information to meet specific needs.
- Improved verification to enhance credibility.
• More sophisticated use of the web-site as a mechanism for feedback by taking advantage of the interactive capabilities particularly through notice and message boards and on-line forums.
CHAPTER ONE

INTRODUCTION AND BACKGROUND

The Internet (web) has presented itself as the vehicle for a business and communications revolution in the twenty-first century. This can be observed with common terms relevant to the Internet such as e-commerce and e-tailing becoming common place over the last five years. The Internet has provided businesses with new avenues in which they can trade and communicate with external parties, with growing evidence that the Internet has become an increasingly important media for corporate communication (Adams, 1999; James, 1999; Lane, 1999).

Corresponding to the increased use of the Internet has been a growing awareness by companies of their social responsibilities and increasing demands on them to be accountable with respect to ethical, social and environmental issues. Corporate reporting on ethical, social and environmental issues has been increasing over the last two decades, however most of the literature has focused on hard copy social, environmental, sustainability or annual reports. The increased use of alternative reporting mediums such as the Internet has been neglected.

Companies have indicated (Adams, 1999) that they see clear benefits to their businesses in being accountable for their ethical, social and environmental performance. However, these companies do not consider hard copy sustainability reports to be cost effective. To meet the demands of stakeholders, many companies are exploring the use of alternative reporting mediums, such as community newsletters, and the Internet.
Table 1.1 Advantages and disadvantages of using the Internet as a communication medium

<table>
<thead>
<tr>
<th>Advantages</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accessible 24 hours a day</td>
<td></td>
</tr>
<tr>
<td>Accessible from any networked terminal anywhere in the world</td>
<td></td>
</tr>
<tr>
<td>World’s largest information retrieval system</td>
<td></td>
</tr>
<tr>
<td>Search engines assist users in identifying relevant documents</td>
<td></td>
</tr>
<tr>
<td>Can be updated frequently providing user with timely information</td>
<td></td>
</tr>
<tr>
<td>Information providers can identify how many users have visited their site</td>
<td></td>
</tr>
<tr>
<td>and who those users are</td>
<td></td>
</tr>
<tr>
<td>Information providers can identify which parts of their site are the most</td>
<td></td>
</tr>
<tr>
<td>visited</td>
<td></td>
</tr>
<tr>
<td>Data can be downloaded, cut and pasted and exported for user manipulation</td>
<td></td>
</tr>
<tr>
<td>Ability to provide a search facility for individual company sites</td>
<td></td>
</tr>
<tr>
<td>Allows cross-referencing through hyperlinks to, for example, prior year</td>
<td></td>
</tr>
<tr>
<td>reports, relevant legislation/guidelines, government agencies, NGOs, other</td>
<td></td>
</tr>
<tr>
<td>companies, press releases</td>
<td></td>
</tr>
<tr>
<td>Multimedia functions such as video, audio, graphics and 3D simulations</td>
<td></td>
</tr>
<tr>
<td>give user and provider a variety of communication choices</td>
<td></td>
</tr>
<tr>
<td>Feedback can be given through email, interactive feedback forms, discussion</td>
<td></td>
</tr>
<tr>
<td>areas, conferencing</td>
<td></td>
</tr>
<tr>
<td>Low cost form of information dissemination given size of audience</td>
<td></td>
</tr>
<tr>
<td>Environmentally friendly</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Disadvantages</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Not everyone can access the Internet</td>
<td></td>
</tr>
<tr>
<td>Resources required to develop and maintain the web-site</td>
<td></td>
</tr>
<tr>
<td>The information on the web can be vast and disorganised</td>
<td></td>
</tr>
<tr>
<td>Much of the performance data is not audited or verified(^1)</td>
<td></td>
</tr>
<tr>
<td>At present disclosure on web-sites is largely unregulated</td>
<td></td>
</tr>
</tbody>
</table>
The additional benefits of using the Internet as a communication medium, specifically in the case of ‘sustainability’ and ethical reporting, are outlined in Table 1.2.

**Table 1.2 Advantages of the Internet as a communication medium for ethical, social and environmental information**

<table>
<thead>
<tr>
<th>Advantages of the Internet as a communication medium for ethical, social and environmental information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Can provide information to meet the demands of an ever increasingly diverse group of stakeholders</td>
</tr>
<tr>
<td>Provides an opportunity for an additional means of stakeholder dialogue with stakeholders who would not otherwise be easily accessible</td>
</tr>
<tr>
<td>The ability to link to external resources, such as guidelines and pressure groups, facilitates the incorporation of a broad range of issues for consideration into strategic decision making</td>
</tr>
<tr>
<td>Paper based reports can be kept short with links to the web-site provided to show where more detail can be found</td>
</tr>
</tbody>
</table>

These special advantages are important as companies grapple with the difficulties involved in meeting the information demands of an ever increasingly diverse group of stakeholders whose interest in the information is variable both with respect to the range of issues and their level of technical expertise. However, there are concerns about the lack of rigour in the reporting of such issues over the web (Cowen, 2001). Prior research has identified a number of stakeholders with a specific interest in this type of reporting such as social and environmental lobby groups (Tilt, 1994). A number of authors have suggested that the advent of the web has provided management with an alternative means of information dissemination that allows reporting to be tailored by stakeholders to meet various technical and information needs (Charter, 1998; ERM, 2000; Fowler et al. 1999; Line et al. 2001;
Shepherd et al. 2001; Stringer and Roberts, 1996; SustainAbility, 2001; SustainAbility/UNEP, 1999; Williams and Ho Wern Pei, 1999). The extent to which these claims are justified have been examined in this research.

The ability of the Internet to reach a large audience also presents a disadvantage from a corporate perspective in that it allows pressure groups to mobilise opinion rapidly against companies’ negative ethical, social and environmental impacts (Crowther, 2000; Perry and Sheng, 1999). This was seen in the case of Shell’s controversies over the Ogoni people of Nigeria and the Brent Spar oil platform (Maitland, 1999).

Given the recent advent of the web, and its purported advantages as a communication tool, research on the use of the web by companies has been relatively limited in scope. Predominantly from a reporting perspective previous research has focused upon the inclusion (or absence) of financial information (including the annual report) on the company web-site (Ashbaugh et al, 1999; Craven and Marston, 1999; Pirchegger and Wagenhofer, 1999). However, there has been some recent interest in the use of the web as more than an alternative to hard copy reporting, for example whether the company provides links to sites where additional financial information may be found (Ashbaugh et al, 1999; Deller et al, 1999). This has paralleled commentators of corporate communication advocating greater use of web technology to take advantage of the communication aspects of the web (Deller et al, 1999; Gowthorpe and Amat, 1999; Hedlin, 1999; Lane, 1999).

With respect to prior research on ethical, social and environmental reporting via the web, research has predominantly focused upon the existence of environmental disclosures (Charter, 1998; Jones et al, 1998; Line et al, 2001; Shepherd et al, 2001). The potential of the web as a communication medium for social and environmental reporting has been emphasised with the recent development of design guidelines for Electronic Environmental Reporting by the Centre for Sustainable Design (CfSD, 2000). Despite this, research on the ability of companies
to utilise the advantages offered by web technologies with respect to communicating ethical, social and environmental information has been limited.

**Research objectives**

This research identifies best practice in the use of the Internet as a reporting medium by documenting the processes of how companies are preparing to take advantage of the Internet as an alternative or primary means of communicating with their stakeholders. The study addresses the following key research questions:

- To what extent does the design of a company’s web-site take advantage of the communication characteristics of the web and what improvements could be made?
- How do companies make use of the Internet as a medium for reporting on ethical, social and environmental issues?
- What is the future role of the corporate web-site as a medium for reporting on ethical, social and environmental issues?

The results of this study may enhance our understanding of the role of the web in corporate communication and how it can be developed to further enhance corporate accountability on ethical, social and environmental issues. The international context of the study facilitates the benchmarking of best practice. Such benchmarking is important in exploring the opportunities that are available in the use of the Internet as a communication tool, and to provide an understanding as to why differing corporate communication strategies are developing.

**Research approach**

This study seeks to observe and benchmark the application of web technologies as a means for companies in Australia, Germany
and the United Kingdom to communicate on their ethical, social and environmental performance. The study included:

(i) monitoring selected company web-sites to ascertain the extent of their use of the web as a communication medium;

(ii) a postal questionnaire, sent to web managers, to gather data from a broad range of companies on their commitment to web technologies and explore the direction in which web technologies will change corporate reporting and communication; and

(iii) interviews with ethical, social and environmental personnel of selected companies to document the use of the web as part of an overall communication strategy on ethical, social and environmental issues.

Monitoring of corporate web-sites

The information content of corporate web-sites listed in Table 1.3 was examined quarterly using the checklist provided in appendix one. The checklist includes desirable web-site features as identified from the literature. These companies and industries were chosen because of their high ethical, social and environmental impact and because of the authors’ prior knowledge of their hard copy reporting processes and practices (Adams, 1999; Adams and Kuasirikun, 2000; Frost, 1999). The countries were chosen because of a combination of a high level of reporting of ethical, social and environmental issues and a high level of public awareness of these issues (Adams et al, 1995, 1998; Deegan and Gordon, 1996; Gray et al, 1996; Wilmshurst and Frost, 2000). Sites were monitored for a period of two to three years and tables drawn up comparing the use of particular web technology features and aspects of content across the sample.
Table 1.3 Companies whose sites were monitored

<table>
<thead>
<tr>
<th>Australia (Aus)</th>
<th>Germany (De)</th>
<th>United Kingdom (UK)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANZ (Banking)</td>
<td>BASF (Chemical)</td>
<td>BOC (Diversified industrial/chemical)</td>
</tr>
<tr>
<td>BHP (Diversified Industrial/Mining)</td>
<td>Bayer (Chemical/Pharmaceutical)</td>
<td>BT (Telecommunications)</td>
</tr>
<tr>
<td>Coles Myer (Retail)</td>
<td>Beiersdorf (Cosmetics, adhesives, medical products)</td>
<td>Glaxo (Chemical/Pharmaceutical)</td>
</tr>
<tr>
<td>ERA (Mining)</td>
<td>Deutsche Bank (Banking)</td>
<td>ICI (Chemical)</td>
</tr>
<tr>
<td>MIM (Mining)</td>
<td>Deutsche Telekom (Telecommunications)</td>
<td>Lloyds TSB (Banking)</td>
</tr>
<tr>
<td>Santos (Oil &amp; Gas)</td>
<td>Henkel (Chemical)</td>
<td>Marks and Spencer (Retail)</td>
</tr>
<tr>
<td>Telstra (Telecommunications)</td>
<td>Hoescht (Chemical/Pharmaceutical)</td>
<td>Reckitt (Household)</td>
</tr>
<tr>
<td>WMC (Mining)</td>
<td>Merck (Chemical/Pharmaceutical)</td>
<td>SmithKline Beecham (Chemical/Pharmaceutical/Household)</td>
</tr>
</tbody>
</table>

Postal questionnaire

The postal questionnaire was sent to approximately the top 100 companies (see Appendix two) with identified web-sites in Australia, Germany and the United Kingdom respectively. The purpose of the questionnaire was to obtain a broad understanding of corporate commitment to, and usage of, web technologies, specifically in connection with its use for ethical, social and environmental
reporting. The response rate to the questionnaire is shown in Table 1.4. Further information on the respondents is provided at the end of appendix two.

**Table 1.4 Questionnaire response rate**

<table>
<thead>
<tr>
<th>Number of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aus</td>
</tr>
<tr>
<td>35</td>
</tr>
</tbody>
</table>

Interviews

The final stage of the project was conducting interviews with a small sample of companies. Interviews were conducted during 2001. In selecting the companies, the results of the longitudinal analysis of their web pages, the responses to the questionnaire and the nature of their business were considered. The companies chosen were all considered as ‘good’ web reporters in the areas of social, ethical and environmental issues by the authors. Three European (two British and one German) and three Australian companies were accordingly selected (see Table 1.5). The alternate research approach provided the opportunity to document the interaction between individuals within the organisation, and to further understand how the web-site fitted within a broader context of corporate communication. It allowed an in-depth exploration of how these companies perceived the web would change corporate communications in the future and further the exploration of issues identified in the two proceeding stages. To protect the identity of the companies being interviewed they have been reported anonymously.
Table 1.5 Country of origin and industry sector of companies interviewed

<table>
<thead>
<tr>
<th>Company</th>
<th>Origin</th>
<th>Industry sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Aus</td>
<td>Resource industry</td>
</tr>
<tr>
<td>B</td>
<td>Aus</td>
<td>Resource industry</td>
</tr>
<tr>
<td>C</td>
<td>Aus</td>
<td>Telecommunications</td>
</tr>
<tr>
<td>D</td>
<td>De</td>
<td>Chemical &amp; household</td>
</tr>
<tr>
<td>E</td>
<td>UK</td>
<td>Telecommunications</td>
</tr>
<tr>
<td>F</td>
<td>UK</td>
<td>Retail</td>
</tr>
</tbody>
</table>

Interviews were semi-structured and lasted for approximately one hour. They were tape-recorded and later transcribed. The transcriptions were analysed and sorted according to particular themes.

Structure of the report

Each chapter of the report uses data from more than one of the methods listed above as well as references to the relevant literature (although as mentioned earlier, prior literature is limited in this very new field). Chapter two focuses on the development of the corporate web-site, referring both to the main site and the ethical, social and environmental site(s). Chapter three focuses on the capabilities of the web-site and chapter four on the web-site as a communication medium to stakeholders of ethical, social and environmental issues. Chapter five looks more generally at the use of the web-site as a communication medium and chapter six presents the conclusions and considers future developments and research areas.

Endnote:

1 This also raises a question as to the status of the data provided on the web-site.
CHAPTER TWO

HOW CORPORATE WEB-SITES ARE DEVELOPED

This chapter looks at the development of corporate web-sites, considering both the main web-site and, where applicable, the site concerned with reporting information on ethical, social, environmental and other sustainability issues. Reference is made both to the results of the questionnaire survey and the data gathered during the interviews.

Key issues considered in the chapter are:

- Length of time that companies have maintained a web-site;
- Development of the web-site;
- Web-site design and content;
- Verification of web-site content; and
- mechanisms for promoting corporate web-sites.

Length of experience with corporate web-sites

This section focuses on the length of time corporate web-sites have existed and their continual development. Although corporate web-sites are now commonplace, with several web-based social and environmental reports replacing hard copies, Table 2.1 highlights the newness of corporate web-sites, with most having had a site for between two and five years at the time when the questionnaire survey was conducted in mid 2001. The corporate web-site however is becoming a popular media for environmental reporting; a survey conducted by ERM in January 2000 (ERM 2000) found that only 45 of the
FTSE 100 sites featured a separate environmental section whilst Line et al. (2001, 2002) found that only 65 of Fortune magazine’s largest 100 companies provided some information on social or environmental issues either on a global or domestic scale.

The results of the research on social and environmental information provided by corporate web-sites is alarmingly low (the companies must have social and environmental impacts), but might be considered an achievement by the companies themselves in the context of only five of Europe’s top 100 companies having a web-site in 1994 and just 20 in 1997 (Financial Times, 27 February, 1997). A study of 106 companies in Ireland in 1998 found that 49 of them had a web-site (Brennan and Hourigan, 1998).

The corporate web-site is rapidly becoming an important means of communication with external stakeholders. A study of 400 corporate web-sites in the US found that 82% of them were using their web-sites to communicate with investors (Richardson and Scholz, 1999/2000). Hussey and Sowinska (1999) found that by early 1998 only nine of the FTSE 100 companies did not have a web-site, but that the majority of the companies’ web based reports were a scanned in version of their hard copy annual report (see also Wildstrom 1997). Other studies of the use of web-sites for corporate reporting are listed in Beattie and Pratt (2001). Europe is some way behind the US with respect to computer and Internet use (see Lymer 1999 for a summary of the literature) with 87% of Ashbaugh et al’s (1999) sample of 290 US companies having web-sites by January 1998 and 34% of the Fortune 50 industrial US corporations distributing annual reports by the Internet (Gray and Debreceny, 1997). Of most relevance to this work, Patten (2002), in studying the use of the Internet for information disclosure by US property and casualty insurance firms, found that there was no mention of the Internet as a potential medium for communicating with stakeholders.
Table 2.1 Length of experience with the web

<table>
<thead>
<tr>
<th>How many years has your company maintained a web-site?</th>
<th>&gt;5 Years</th>
<th>2-5 Years</th>
<th>1-2 Years</th>
<th>&lt;1 Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aus (n=35)</td>
<td>6</td>
<td>24</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>De (n=31)</td>
<td>16</td>
<td>14</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>UK (n=44)*</td>
<td>12</td>
<td>31</td>
<td>2</td>
<td>0</td>
</tr>
</tbody>
</table>

* One respondent did not provide an answer to this question.

<table>
<thead>
<tr>
<th>How many years’ experience have you had with respect to internet technologies?</th>
<th>&gt;5 Years</th>
<th>2-5 Years</th>
<th>1-2 Years</th>
<th>&lt;1 Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aus (n=35)</td>
<td>7</td>
<td>22</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>De (n=31)</td>
<td>16</td>
<td>14</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>UK (n=45)</td>
<td>13</td>
<td>27</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No. of years respondent involved with company web-site*</th>
<th>&gt;5 Years</th>
<th>2-5 Years</th>
<th>1-2 Years</th>
<th>&lt;1 Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aus (n=35)</td>
<td>2</td>
<td>11</td>
<td>17</td>
<td>5</td>
</tr>
<tr>
<td>De (n=31)</td>
<td>2</td>
<td>13</td>
<td>10</td>
<td>6</td>
</tr>
<tr>
<td>UK (n=44)</td>
<td>3</td>
<td>20</td>
<td>12</td>
<td>9</td>
</tr>
</tbody>
</table>

* Only companies with existing web-site sites were included in the sample surveyed.

The data reported in Table 2.1 indicates that many of respondents had limited experience (less than 5 years) with respect to the internet and web-site management. This however is perhaps not surprising given the rapid development of internet technology over this period,
and the equally rapid adoption and development of corporate websites.

**Development of the corporate web-sites**

Table 2.2 shows the results of the questionnaire survey with respect to web-site development. Across the three countries surveyed, 45% of the sample had some investment internally in the development of their web-site whilst 55% used only external contractors. There was a substantial difference in the proportion of companies developing sites internally across the three countries, the highest being 60% in Australia, and down to 42% in Germany and 36% in the UK.

An average of 87% of the questionnaire respondents produced guidelines (detailing issues such as responsibility and look of the web-site) on the design and application of electronic communications (97% of German companies, 81% of Australian companies and 84% of UK companies) (see Table 2.2).

**Table 2.2 Development of corporate web-sites**

<table>
<thead>
<tr>
<th>Percentage of Respondents</th>
<th>Aus</th>
<th>De</th>
<th>UK</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proportion of sites developed internally <em>versus</em> contracted out#</td>
<td>60</td>
<td>42</td>
<td>36</td>
<td>45</td>
</tr>
<tr>
<td>Proportion of respondents producing guidelines on the design and application of electronic communications</td>
<td>81</td>
<td>97</td>
<td>84</td>
<td>87</td>
</tr>
<tr>
<td>Proportion of respondents selling their products on their web-site</td>
<td>41</td>
<td>47</td>
<td>55</td>
<td>47</td>
</tr>
<tr>
<td>Proportion of respondents with a designated individual to manage soc/env disclosure on web-site</td>
<td>36</td>
<td>48</td>
<td>67</td>
<td>52</td>
</tr>
</tbody>
</table>
A number of firms (2 Australian, 5 German and 7 UK) identified using both internal and external resources. These were classified as having internal input in the development of the web-site.

An average of 47% of respondents across the three countries used their web-sites as a customer portal, which presented particular issues in the development of the web-site as a communication medium. For example, the interviewee from company F indicated:

… even to get down to environment you have to go down about, something like six levels just to get there … I regularly look at the hits and which servers they are coming from, and its interesting because really the only people who get down are pretty bloody determined to get there, frankly, and that’s to do with the decision the business has currently got. Then you are into budget, it’s to do with servers, it’s to do with priorities and it’s an on-going debate.

This was controlled by a corporate brief on the look of the web-site which was developed with e-tailing in mind, but which must be complied with for corporate reporting and in which all journalists hired to assist in reporting are trained:

… so other than choosing pastel colours to reflect the nature of the issues, really, there was very little input I could have into the way it was laid out and the way that it works.

And in summing up his view on corporate web-site priorities, the interviewee from company F further commented that:

Well again, if I go back to the question, ‘is corporate reputation a high priority?’ - over the last two years, no it has not been, it has been about selling. The medium itself, and I think there is that issue long term about where it should be owned, the medium is owned because it was seen as the priority for their ownership as a selling vehicle. I think there are other subtleties below it, as to how you get that message across and I think the Internet is a great means of sort
of putting that information in the domain of the opinion formers - or one of them - but I have to say that there are other means as well. So it's one of those things I'm sort of campaigning on. If I am absolutely honest it would be nice to have it sorted out but it's not a do or die thing.

Alternatively company E had a group site (where its social and environmental reporting was located) and a separate retail site. Since many people initially visited the retail site (which provided only one access point to the group site) the interviewee from company E was concerned that this might reduce the number of people that visited the social and environmental reporting pages. Subsequent to the interview, a direct link to these pages was added to the web-site.

Company D’s site was not used for marketing purposes and in the immediate future the company was focusing on integrating the sustainability channel into the main corporate site and design in order, to make it clear that sustainability was not something different from the rest of the company’s communication and that sustainability was part of the full corporate web-site. This would allow greater access but would also result in giving up certain freedoms since it would have to adopt the corporate design. The company was also focusing on expanding its reporting on the non-environmental aspects of sustainability, which ideally goes hand-in-hand with the integration of sustainability issues and strategic management and hence the need for its incorporation in the main corporate web-site.

**Web-site design and content**

This section considers the structures for determining responsibilities for web-site design and content, including the views of the interviewees.

Table 2.2 indicated the proportion of companies from each country sample surveyed that had a designated individual to manage
ethical, social and environmental disclosure on the web-site. In the main part, there appeared to be a lack of co-ordination or direct accountability in the presentation of ethical, social and environmental information, with responsibility sometimes shared between different personnel and departments.

For example, in company A, separate individuals were responsible for (i) government and community relations; and (ii) health, safety and environmental issues. Information identified by these individuals as important was put on the web-site, although others could request that information was put on. The company admitted that the process was ‘pretty ad hoc’ and that it might not have the best information management system around. Likewise in company D, the team responsible for health, safety and environmental communications was directly responsible for putting information on the web-site.

In company C the process was rather different, the online report was designed by the environment team, but the configuration was done by web-site designers in another department. They used IT protocols and followed guidelines concerning the look and feel of the web-site to ensure it was consistent with the company’s branding image. The environmental manager of company C said that all information on the web-site:

… goes through three, four mechanisms. Well essentially, I sign off but also propose that this is what’s going to be released, if it’s going to represent company-wide issues such as Public Environment Reporting. It also gets checked through our corporate affairs group. It also gets checked through our industrial relations group and our branding group as well as legal checking prior to being released so we do have an internal policy on how we go about releasing information publicly.

In company B an external design agency currently managed the web-site. Making changes to the web-site through the external agency was seen as a disadvantage as it inhibited more frequent changes
or updates. There were plans, however, to move web-site content management in-house, to stimulate more thought into how it was used and facilitate more frequent changes.

The interviewee in company B discussed some of the issues around bringing web-site content management in-house starting with web-site design:

... a lot of this relates back to the technology that sits behind our website, our technology capability. And that’s probably where we are at now. We have some issues with that, in terms of how we need to build it. If you want to content manage it yourself, you sort of need to rebuild the whole back end. And it’s a very expensive business. And I haven’t convinced the powers that be to spend that money yet... If we were to bring it in-house here, we need the resources, and I think we would need someone who manages the site, who has an understanding of communication issues, plus someone who can deal with a little bit of the technology and the IT stuff. That is the stuff that makes you want to pull your hair out.

Company E had a separate site for social, environmental and community reporting. It had a very strict control system to prevent anyone from changing information made available on the web-site. There was no separate hard copy report and the manager responsible for sustainability issues and accountability had sole responsibility for co-ordinating what was communicated.

**Verification of web-site content**

This section considers the processes by which companies seek to verify the information provided on-line. Table 2.3 shows the percentage of companies that are verifying on-line information and the type of verification adopted as identified by the questionnaire respondents.
Table 2.3 Development of corporate web-sites

<table>
<thead>
<tr>
<th>Percentage of Respondents</th>
<th>Aus</th>
<th>De</th>
<th>UK</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>The information provided is on-line verified</td>
<td>77</td>
<td>82</td>
<td>71</td>
<td>76</td>
</tr>
<tr>
<td>The legal department vets all information before posting</td>
<td>48</td>
<td>25</td>
<td>27</td>
<td>33</td>
</tr>
<tr>
<td>The information on the company website is verified externally</td>
<td>9</td>
<td>10</td>
<td>17</td>
<td>12</td>
</tr>
</tbody>
</table>

As reported in Table 2.3, a large proportion of respondents indicated that there was some form of verification of the information prior to it being placed on-line. However, in further exploring how the verification was undertaken, it was found that for many companies it was the responsibility of the public relations manager or the manager responsible for the web-site. The rigour of a verification process conducted by public relations managers might be questionable. It was particularly interesting to note that many companies were not utilising their legal departments in the verification process. This lack of usage also appeared in the companies interviewed, with only companies C and E recognising the need for all information to be approved before public reporting. The lack of commitment to verification was again highlighted by the limited number of companies using external parties to verify on-line content. Whilst a small number of companies identified using external parties, this might not translate into a verification of the information, as indicated by company D, where the verification was of the systems in place to support data collection, and not of the information itself.
Mechanisms for promoting corporate web-sites

The percentage of companies using various mechanisms for promoting their corporate web-sites is reported in Table 2.4. The three most commonly used methods are: (i) notification within hard copy reports (91%); (ii) links to the corporate web-site from those of other organisations (82%); and (iii) the company’s letterhead (74%). There is little variation across countries although Australian companies do seem relatively averse to putting their web address on their letterhead.

Table 2.4 Mechanisms for promoting corporate web-sites

<table>
<thead>
<tr>
<th>Percentage of companies</th>
<th>Aus</th>
<th>De</th>
<th>UK</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notification within hardcopy reports</td>
<td>91</td>
<td>83</td>
<td>96</td>
<td>91</td>
</tr>
<tr>
<td>Links to your web-site provided on other organisation’s web-sites</td>
<td>81</td>
<td>79</td>
<td>80</td>
<td>82</td>
</tr>
<tr>
<td>Letterhead</td>
<td>65</td>
<td>86</td>
<td>73</td>
<td>74</td>
</tr>
<tr>
<td>E-mail messages to key stakeholders</td>
<td>68</td>
<td>64</td>
<td>52</td>
<td>60</td>
</tr>
<tr>
<td>Discount sales to online customers</td>
<td>10</td>
<td>36</td>
<td>10</td>
<td>17</td>
</tr>
</tbody>
</table>

Other methods used by responding organisations for promoting the corporate web-site included: hard copy advertisements; in-house magazines; brochures; business cards; exhibitions; press releases; lorries; banner adverts; and search engine meta tagging.

Summary

The corporate web-site is a relatively new phenomena. Whilst corporate social and environmental reporting predates the advent of the corporate web-site, the commitment to the use of the web as a
reporting medium for this information has lagged behind the overall corporate commitment to social and environmental reporting. The research points towards the lack of internal web reporting expertise amongst appropriate staff responsible for social and environmental reporting, the limited verification of web-site content and other priorities of some corporate web-sites as barriers for greater reporting. These barriers are however fast being eroded and there is no doubt, given the many advantages of doing so, that companies will make increasing use of the web-site for reporting on the impact of their ethical, social and environmental responsibilities.
CHAPTER THREE

THE CAPABILITIES OF CORPORATE WEB-SITES

This chapter reviews the current capabilities of corporate web-sites, both the main web-pages and the sub-sections concerned with reporting information on ethical, social and environmental issues. Reference is made to the results of the postal questionnaire, the data from the interviews and the survey of web-sites. The capabilities of the web-site, and the use of the technology available in designing the web-site, is important in extending accessibility to a broader range of external stakeholders, and in providing information to the company on issues of concern to their stakeholders. The technology capabilities adopted by the companies could therefore affect the usefulness of the web-site, both for the company and their stakeholders.

Key issues considered in this chapter are:

- Basic web-site design features;
- Identification and tracking of users of the corporate web-site;
- The web-site as a communication medium;
- Interactive corporate web-sites on ethical, social and environmental issues; and
- the accessibility of the corporate web-sites.

Basic web-site design features

In considering the use of the corporate web-site as a communication medium, potential advantages over hard copy communication can be
readily identified (see Tables 1.1 and 1.2). Technology can enable the user to (at low cost to both the company and the user):

- determine the format of the presentation;
- customise the information they receive through search facilities; and
- obtain real-time data and instant corporate information.

This is not an exclusive list of possibilities to be considered in web-site design, but they are features that differentiate the web-site from other communication sources.

**Format of presentation**

The static presentation of data is a feature that can be overcome within the design of the web-site. For example, users may be given the opportunity to disable the graphics within the web-site. Such a function is of importance to users who may not have the latest computer hardware (this is therefore an issue of access), and users who simply wish to view/print the corporate information without design distractions. The questionnaire respondents were accordingly asked to indicate whether they provided this option to their customers and the responses are presented in Table 3.1.
Table 3.1 Choice of text only options

<table>
<thead>
<tr>
<th></th>
<th>Percentage of companies responding Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Aus</td>
</tr>
<tr>
<td>Do you provide users visiting your site with a choice as to whether they can view your site without graphics?</td>
<td>9</td>
</tr>
</tbody>
</table>

A considerable number of companies reported that they do not allow the web-site user the option of disabling the web-site graphics. The justification for this varied considerably. Some companies identified that their web-site was simple (the site was kept at a basic level), and that the extent of graphics utilised did not interfere with the speed of navigation. Other companies recognised that the web-site was designed with the assumption that users would only have access to a basic PC. A number of companies without this option also acknowledged that their web-site had a ‘flash detector’, which automatically loaded the non-flash version ‘if the customer does not have flash’. The most common reasons given for not providing a text-only option can be summarised as:

- **Image**—many respondents indicated that their company relied heavily on its image or branding (a specified look and feel). Under these circumstances many respondents recognised that the web-site was primarily used as a corporate ‘brochure’ or marketing tool, where the right image and branding were essential. The ability to disable aspects of the company’s site presentation would remove this ‘look and feel’, hence it was important not to include this option. As one respondent indicated, ‘text only versions would leave out information on brands, products …’, and another indicated ‘graphics are used for emotional address’.
• *Essential component of the web-site* – a number of companies recognised that navigation was image based, and that the site would therefore be ineffective if graphics were turned off.

• *Infrastructure constraints* – the initial web-site did not contain such a feature (one company acknowledged that this was not considered in the original site specification), or resource constraints (development/coding costs) had not allowed for the company to develop the capacity to include such a feature. Other respondents indicated that such an option was on the agenda for future upgrades.

• *User preferences* – there were mixed responses as to whether or not the customers preferred the graphic versions. Some companies did not think that this was an issue of importance to potential users and hence was not considered in determining the web-site format. However, the other group of respondents believed that users preferred just the graphic versions of their web-sites. At least one company justified such a stance based upon evaluation from user feedback. The companies’ preferences can effectively reduce flexibility for web-site users, a major feature when considering the web as a communication medium.

• *User capability* – a majority of the companies designed their web-sites with basic hardware and software users in mind; a number of companies, nonetheless, assumed that all their users were appropriately equipped. For example, one respondent indicated that they ‘expect most users to have upgraded browsers by now 3 or 4 or 5 versions’, another suggested ‘our visitors are supposed to have the equipment to view everything at once’. Whilst such an observation may be correct for many web-site users, it does overlook the fact that user hardware also needs to be taken into consideration when designing web-sites.
Search facilities

A second significant advantage of web-based communication is the ability of the user to quickly access and specify the information required; that is the user can tailor the information they receive from the web-site. To facilitate the tailoring of information, the user could utilise tools such as a search-engine or a site map. Responses on this issue from the postal questionnaire are reported in Table 3.2 below.

Table 3.2 Use of search engines or web-site maps

<table>
<thead>
<tr>
<th>Percentage of Companies</th>
<th>Aus</th>
<th>De</th>
<th>UK</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>The web-site includes a search engine and/or a site map</td>
<td>65</td>
<td>94</td>
<td>84</td>
<td>81</td>
</tr>
</tbody>
</table>

It is somewhat surprising to observe that not all sites provide a search function to allow users easier access to their information needs. This was particularly the case for Australian respondents, with one third of companies not providing site specific search capabilities.

Identification and tracking of users of the corporate web-site

Table 3.3 summarises the results from the postal questionnaire with respect to the tracking of web-site users by companies. Both the counting of users (which can be done through a counter on the home page), and the tracking of an individual’s navigation through the web-site have been included.
**Table 3.3 Tracking of web-site users**

<table>
<thead>
<tr>
<th></th>
<th>Percentage of Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Aus</td>
</tr>
<tr>
<td>The web-site identifies</td>
<td>66</td>
</tr>
<tr>
<td>the number of users visiting the site</td>
<td></td>
</tr>
<tr>
<td>The web-site tracks</td>
<td>48</td>
</tr>
<tr>
<td>individual users</td>
<td></td>
</tr>
</tbody>
</table>

More than three quarters of responding organisations counted the number of users who accessed their site, however less than a half of the companies gathered further information of where these users were navigating within the site. This raises a question regarding the use of this information; as stated by the environmental manager of company C on tracking users of their environmental site:

*I think it’s a case of, if I felt that I was going to get some value out of understanding [the user data], … once I’ve got that information what am I going to do with it. … at this stage, I don’t think I’m going to do much with that information right now.*

Questionnaire respondents had however found a number of uses for the information which are summarised below.

**Content management**

By far the most common response for collecting individual visitors’ usage data was to assist in the management of web-site content and design. This data was generally collected on a regular basis (quarterly) for the purpose of reviewing the web-site content and operations. With respect to web-content, data on users’ navigation of the site assisted in identifying the most popular/least popular pages, or most
common exit points within the site. This data was then used to either justify adding or deleting content from the site, or identifying priorities for content development; hence it was an important tool in tailoring the site’s content. Tracking the use of features was identified as important, particularly in assisting in the design of the web-site, and such information was used to ‘optimise’ navigation of the site.

**Justification of web-site investment**

A number of respondents identified that usage data was collected for the purpose of justifying the company’s investment in the web-site. The data was proof that the web-site was ‘being used’, and that the expenditure was justifiable because of the number of users accessing the company via this medium.

**Communicating strategy decisions**

Along with justifying the development of the web-site, a number of companies were using the data to assist in developing their communication strategies by gauging the effectiveness of the web-site as a communication tool. These companies were particularly interested in the origin of users (ie country) to determine whether the web was an effective means of communication to varying audiences, and such data would assist in shaping their future communication strategies with respect to the media used. For instance, one company was tracking the use of the web versus their hard copy reports.

**Performance measurement**

A few respondents indicated that usage data was being incorporated into performance measures. For example, one retail company used the data in a ‘Hits:Sales Ratio’, whilst another tracked ‘conversion rates of
visitors to paying account customers’. Such performance measures are perhaps an indication of the growing importance of the web-site as a means of marketing and revenue generation.

Marketing

Perhaps the most sophisticated usage of this data was to assist in measuring of the effectiveness of marketing. For example, one company identified tracking the origin of users to determine whether changes in usage patterns followed marketing activities. Other companies were using it to assist in developing marketing strategies by using origin and technology to segment their customer base; or to work out customer behaviour by following their progression through the web-site; or to assist in ‘development and targeting’ products. As one respondent indicated:

*Business areas use it to fine-tune marketing initiatives/understand customers usage trends.*

The data was also used ‘to identify the success of driving traffic to (the) site for major corporate announcements’. Perhaps one of the most innovative uses of the data was the identification of popular pages so as to strategically position marketing promotional material.

Information on usage and users of the web-site can therefore be a powerful tool within a corporation, for such information can enable better design and greater understanding as to the needs of the company’s web-site users. Alternatively it may provide unwarranted scrutiny within the organisation as to the importance of an issue; as stated by the interviewee from company E with respect to the environmental web-site:

*... so our people are internally always saying why is your web-site not more popular, why are people not going to it when you say how important it is but the level of traffic is quite low.*
The tracking of users in company E found that about 50% of users visiting the environment web-site did not go beyond the first page; and that the users of the environmental web-pages were only a small proportion of the total number of users of the corporate web-site (which was primarily aimed at the retail market). The respondent commented that only a small number of the stakeholders interested in the company were sufficiently interested in the environment to spend time reading the materials provided by the company. Similar observations had previously been made about the level of interest in hard copy reporting. However, the respondent from Company E justified the necessity of the web-site stating: ‘If only one major investor looks at it and then invests a sizeable sum in (Company E) then it has been worthwhile.

The information on usage appeared to have a mixed effect on the development of social and environmental sections of the web-site based upon the information gathered during the interviews. Only companies D and E acknowledged tracking users within this section, whilst other companies acknowledged that they believed that even though the company was tracking use, the data was not presented to them and, therefore, did not influence their behaviour when developing the web-site or its content.

**The web-site as a communication medium**

The web-site provides a number of unique means of communication, such as the use of message boards and the provision of real-time data to a broad range of potential users. This section reports on the use of such tools by the sample companies.
The use of message boards

The use of a corporate message board provides an opportunity for the company to highlight in a passive way significant events or issues. The message board itself is usually placed on the home page (with accompanying graphics) and can be updated regularly to reflect changing issues of interest to the company. The questionnaire respondents were asked to indicate whether or not their company website had a message board and their responses are shown in Table 3.4.

Table 3.4 Company provision of message board

<table>
<thead>
<tr>
<th>Percentage of Companies</th>
<th>Aus</th>
<th>De</th>
<th>UK</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>The company has a message board</td>
<td>14</td>
<td>35</td>
<td>20</td>
<td>22</td>
</tr>
</tbody>
</table>

It is interesting to note the limited number of companies utilising the message board as a communication device, given that it is an effective means of highlighting major issues or events. However, other alternative mediums used by the respondent companies to disseminate information are discussed below.

Real-time data

One of the advantages of using the web as a communication medium is its ability to provide real-time data. This data may be provided either on the web-site itself, or by using electronic communications such as email for significant announcements to specified users. Responses on this issue from the questionnaire respondents are reported below in Table 3.5.
Table 3.5 Provision of real-time data

<table>
<thead>
<tr>
<th></th>
<th>Percentage of Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Aus</td>
</tr>
<tr>
<td>The site provides real-time data (or data after a short delay), for example, the company’s share price within 24 hours of the previous close of trade</td>
<td>86</td>
</tr>
<tr>
<td>The company maintains an email list to inform when there are changes made to the web-site</td>
<td>34</td>
</tr>
<tr>
<td>If Yes, the email list is selective in that it only informs when specific sections of the site are changed</td>
<td>23</td>
</tr>
</tbody>
</table>

A significant proportion (84%) of respondents indicated that their company provided some form of real-time data. A smaller number of respondents indicated that they were using the web to broadcast messages either about the company or about the company’s web-site. This tool was usually managed by Investor Relations. Of the web-sites surveyed, nineteen utilised email alerts. Such tools are however selective, with the recipient of the message choosing to register, typically via the company web-site. The information broadcasted varies significantly, for example from a gas supply company providing updates on the latest cooking recipes available on their web-site, to an oil and gas company providing a weekly up-date on their drilling activities and one-off broadcasts of significant announcements. Most of these email announcements are specific in content with a targeted audience – the oil and gas company was targeting investors, whilst the gas supply company was targeting their large consumer base (the audience itself is self-selecting through its choice to initially register and remain on
the contact list). The interviewee from company B identified real time data as a particular area for future development, with unit managers pushing for specific information to be provided live. Such information could include, as stated by the respondent from company B:

\[
\text{on a daily basis – have ticker running across the front (home page) saying 'get the SO}_2\text{ levels update', 'if you want to see the last week, click on here'.}
\]

**The interactive corporate web-site on ethical, social and environmental issues**

The interaction with external stakeholders on ethical, social and environmental issues is an important form of feedback on company performance and the identification of relevant issues and solutions. A variety of stakeholder engagement mechanisms that were being used and reported by ERM (2000) indicated that companies were not yet making the best use of web technologies in this process. It found that only three of the FTSE 100 companies used the web for two-way dialogue with stakeholders on social and environmental issues and only four had links to lobby sites. Shepherd *et al.* (2001) argued that web technologies provide an ideal medium for engaging with stakeholders. The companies interviewed in this study identified undertaking a number of approaches in consulting and interacting with their stakeholders. For example, company C utilised what it called a ‘Consultative Council’, which was representative of the broader community, to receive feedback on ‘pricing, the application and use of products and equipment, meeting the needs of rural as opposed to meeting educational, as opposed to meeting business areas’, whilst company B was proactive in interacting with local communities and company E held customer *foras* to receive feedback on company strategic directions. Such consultation was however selective, with respect to the targeted stakeholders (*i.e.* the company chose the stakeholders from which they
received feedback). The use of web-based *foras*, or chat rooms, could provide an opportunity for companies to receive unsolicited feedback from a broader range of stakeholders.

Of the six companies interviewed, only one company currently used an online discussion forum, which was general in nature and not specifically for ethical, social and environmental issues. Indeed only one of the corporate web-sites surveyed (BT) utilised an on-line forum\(^2\). In probing why companies had not adopted such interactive tools with the interview sample, many of the responses echoed a similar theme. Company B for example, recognised that they had not advanced far enough to even consider such an option. Company D had considered the option, but thought that their stakeholders would not be interested. Company A had also considered the option, but only for particular issues of significant importance. Company C placed the difficulty in maintaining a Discussion Board in context, ‘if we set up a mechanism of having a discussion board … (company C) certainly have to be prepared to respond’, with the necessary resource requirements beyond what was currently available.

Another avenue for companies to provide access and receive direct feedback on ethical, social and environmental issues was to provide contact details for specified individuals responsible for identified areas. From the company web-sites surveyed, the contact details provided varied significantly. For many companies only a generic email address for the entire company was provided online with specific inquiries forwarded onto the relevant individual to respond. For some companies the forwarding of emails was categorised based upon subject, primarily through the public or customer relations department. For some multinational companies there was a separate email address for individual countries. However, in general there was no identification of a specific means to contact or provide feedback on ethical, social and environmental issues. Company F sought to justify the decision by explaining that their current server ‘could not cope’ with the additional
traffic (the company was however heavily involved in e-tailing – with their web-site predominantly focusing on servicing customers). The respondent from company F did however acknowledge considering placing their personal contact details on line, but stated:

*If I am honest I did not want them coming through and me just acting as a source but in actual fact when I made enquiries the system would not cope with it anyway so it kind of got me out of an awkward position.*

The comments from the questionnaire provided insights into the observations from the web-site analysis. Of the company web-sites analysed, eleven (Bayer, BASF, Merck, Henkel, BT, BHP Billiton, WMC, Telstra, Deutsche Bank, ICI and SKB) had provided an email contact specifically for either social or environmental issues. However only eight companies (ICI, SKB, Deutsche Bank, BHP Billiton, WMC, BASF, Merck and BOC) at the end of the survey were also still providing additional contact details (either a name or position title). A number of companies (BASF, Merck, Henkel, BOC, Reckitt, BT) had at one time provided details of the contact person in the company, which had subsequently been removed (these companies did however leave a contact email address on the web-site). Such a move indicated a scaling back of the access to company personnel as use of the corporate web-site evolved. This perhaps was a response to resource pressures identified during the interviews.

Five companies from the postal questionnaire respondents were identified to be providing other mechanisms for feedback to the company’s environmental performance. These included either directly emailing the company via a hot key within the web-site, or via completion of a feedback form. It was noted that most environmental/sustainability reports that were provided on line included a feedback form, but these were specific to that report. Company C, for example, elicited feedback through a direct email address contained in the
environmental report. Five of the web-sites surveyed also included survey/feedback forms specifically covering social or environmental issues. The recent development of this means of feedback was highlighted in that only one company was observed to have had such a form prior to July 2001.

**Accessibility of the corporate web-site**

The question of access by users within the site was of considerable relevance, not only in exploring the capabilities of the technologies available, but also in allowing a broader range of stakeholders to use the information provided. Access was not limited to the so-called ‘digital divide’, but also was of particular concern for the disabled and those for whom English is not the first language. These two issues are explored below.

**Language other than English**

Generally, corporate reporting is in the primary language of the country, or is in English. Reporting in one language is perhaps not a significant issue when the target audience is predominately local to the organisation. However, one of the stated advantages of the web-site is its use as a means to provide information to a wider set of stakeholders, particularly international stakeholders. This presents the company with a unique set of communication problems with respect to language barriers. The proportion of questionnaire respondents using languages other than English (or German) on the web-site is reported in Table 3.6.
Table 3.6 Web-site information in language other than English (*German)

<table>
<thead>
<tr>
<th>Languages other than English (or German) are available on the web-site</th>
<th>percentage of Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Aus</td>
</tr>
<tr>
<td>Languages other than English (or German) are available on the web-site</td>
<td>3</td>
</tr>
</tbody>
</table>

* The question asked German respondents whether there was a language other than German.

International engagement of stakeholders was identified as being of significant importance for the web-site. Table 3.6, however, shows only limited translation of web-site content by companies operating in English speaking countries. This thus limits the ability of many of the company’s stakeholders to gather information from the web-site, particularly those companies with international stakeholders. It was notable that for German companies it was common practice to use a language other than German. Typically the other language used was English, and perhaps reflects the possible closer interaction with a more disperse range of languages and users.

Company A in the past had produced a version of the environmental report in ten languages, targeted toward stakeholders in the countries in which the company operates, however this had resulted in significant costs (approximately Aus$150,000/£55,000) with only limited take up of the reports. Decisions as to the future of translation of web-based reporting will be made based on this experience.

Company B currently translated a limited number of hard-copy reports (ie environmental and operational) for off-shore operations, but the decision was left with the specific manager and was not taken as a result of corporate policy. Company C did not view its lack of communication in other than English as a problem within the current
context. However, they noted that with further planned expansion into Asia, it might become a future challenge.

Access for the disabled

The use of a corporate web-site has obvious advantages in communicating information to a broad range of stakeholders. However, the medium itself provides particular challenges to the disabled. There are options available that may alleviate some of these access issues. For example, web-sites may allow users to adjust text size. Providers of web-sites who build in design features to enhance access may then seek accreditation, for example accreditation with Bobby. Of the 22 company web-sites surveyed, only two (Telstra and BT) had at one time received Bobby accreditation. BT was first observed during the monitoring of its site with accreditation in April 2001, however it ceased in October 2001 and was then replaced with Java Script Disabled. Findings from the monitoring of web-sites showed that the accreditation for disabled access was an issue not yet widely dealt with by companies.

Summary

There is considerable divergence in the capabilities of the web-sites utilised by corporations. The reasons for such divergence range from web-sites not being updated, to corporate policies that determine the scope and ‘feel’ of the site and content. The evidence based on ‘best practice’ observations does suggest that there is still considerable scope for broad improvement in the capabilities adopted so as to make sites more flexible and to make it a more active and useful tool in providing information to the company and in the engagement of a broader range of external stakeholders. The results also suggest that as web-sites evolve, and a greater number of potential stakeholders are
accessing their web-sites, companies are reducing the direct accessibility to company personnel through the site by removing contact details and direct links. Such actions have been justified by resource constraints faced by each company.

ENDNOTES:

1 This was not always the case. For a number company sites, accessed via a standard telephone line and using a Pentium I or II, navigation is a time consuming exercise, especially where data is embedded at a number of levels below the home page.

2 It was observed from the analysis of their web-site that BT introduced a discussion forum in the general and environment sections of the web-site prior to September 2001, and the social section by January 2002.

3 The Shell Report 2002 notes that its web based mail and discussion forum, “Tell Shell” received more than 1,500 responses. These are posted on the web-site grouped by topic.

4 The analysis of the web-site was investigated for contact details for social, environmental and general issues relating to the company. Hence a company could have been identified as having removed some of the contact details and also still have provided this information for the social or environmental section.

5 Bobby Accreditation is awarded to web-sites that are judged to be accessible for disabled persons.
CHAPTER FOUR

THE WEB-SITE, STAKEHOLDERS AND ETHICAL, SOCIAL AND ENVIRONMENTAL REPORTING

This chapter draws in particular from the questionnaire survey data and interviews and looks at users of web-sites and their purpose for looking at these sites.

Key issues covered in the chapter are:

• The audience of the corporate web-site;
• The primary purpose of the development of the web-site;
• The stakeholder audience for ethical, social and environmental information;
• The importance of the web-site relative to other forms of stakeholder engagement.

The audience for the corporate web-site

All the companies interviewed had a clear idea who their key stakeholders were although there were some interesting issues in identifying their needs. For example, company E (UK, telecommunications) argued that their customers were not a homogenous group, and included occasional customers, residential customers, large corporations and public sector organisations. Additionally, some suppliers were also major customers.

Table 4.1 shows the importance attached to the various stakeholder groups by respondents to the postal questionnaire in the design of their corporate web-sites. Customers and shareholders were identified as
the most important stakeholders influencing web-site design, with stakeholders expected to be most interested in ethical, social and environmental reporting (such as NGOs, government and community groups) ranked lower. This provides an insight into why the primary purposes of developing corporate web-sites in Table 4.2 are to address customers and shareholders. The most noticeable differences across countries are the relatively low weightings attached to shareholders in Germany compared to Australia and the UK and the relatively low weightings attached to suppliers in Australia compared to Germany and the UK. The former is perhaps explained by the different corporate governance structure in Germany, but there is no obvious explanation for the latter difference.

**Table 4.1 Importance of stakeholders in web-site design**

<table>
<thead>
<tr>
<th></th>
<th>Mean rating (Std Dev)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Aus</td>
</tr>
<tr>
<td>Customers</td>
<td>4.43</td>
</tr>
<tr>
<td></td>
<td>(1.17)</td>
</tr>
<tr>
<td>Shareholders</td>
<td>4.17</td>
</tr>
<tr>
<td></td>
<td>(0.98)</td>
</tr>
<tr>
<td>Employees</td>
<td>3.14</td>
</tr>
<tr>
<td></td>
<td>(1.06)</td>
</tr>
<tr>
<td>Community groups</td>
<td>3.29</td>
</tr>
<tr>
<td></td>
<td>(1.13)</td>
</tr>
<tr>
<td>Government</td>
<td>2.94</td>
</tr>
<tr>
<td></td>
<td>(1.19)</td>
</tr>
<tr>
<td>Suppliers</td>
<td>2.51</td>
</tr>
<tr>
<td></td>
<td>(1.09)</td>
</tr>
<tr>
<td>Non-Government organisations</td>
<td>2.82</td>
</tr>
<tr>
<td></td>
<td>(1.14)</td>
</tr>
</tbody>
</table>

1= Unimportant; 2= Slightly Important; 3= Important; 4= Quite Important; 5= Highly Important
Additional stakeholders mentioned by interviewees included the ‘ethical investment community’ (company A), the financial sector (company D), scientific institutes (company D) and regulators (company E). With regard to ethical investors, company E identified the Universities Superannuation Scheme (USS) as being very active in pushing social issues, but believed that some pension funds were:

… just boiler plating and putting out a very superficial questionnaire and that’s that … .

This was also echoed by an interviewee from company F who stated:

… the mainstream investors and analysts will still however say that it is very, very fringe in their decision-making processes.

The primary purpose of developing a corporate web-site

The key driver in developing corporate web-sites across all three countries surveyed was corporate image (see Table 4.2). This was followed closely by a desire to provide a mechanism for communication with shareholders, presumably with the primary aim of promoting a particular corporate image. Indeed, the dissemination of technical information on corporate performance was a lower priority in Australia and the UK, though not in Germany. The lack of emphasis on selling could be explained by the fact that many of the companies surveyed were not involved in retail sales.
Table 4.2 Purpose of corporate web-sites

<table>
<thead>
<tr>
<th></th>
<th>Mean rating (Std Dev)</th>
<th>Aus (0.74)</th>
<th>De (1.00)</th>
<th>UK (0.8)</th>
<th>Total (0.84)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate awareness/image</td>
<td></td>
<td>4.43</td>
<td>4.61</td>
<td>4.60</td>
<td>4.55</td>
</tr>
<tr>
<td>To provide a mechanism</td>
<td></td>
<td>4.09</td>
<td>3.47</td>
<td>4.42</td>
<td>4.05</td>
</tr>
<tr>
<td>for communication with</td>
<td></td>
<td>(1.07)</td>
<td>(1.33)</td>
<td>(1.03)</td>
<td>(1.19)</td>
</tr>
<tr>
<td>shareholders</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To provide a mechanism</td>
<td></td>
<td>3.97</td>
<td>3.42</td>
<td>4.16</td>
<td>3.89</td>
</tr>
<tr>
<td>for communication with</td>
<td></td>
<td>(1.1)</td>
<td>(1.5)</td>
<td>(1.00)</td>
<td>(1.2)</td>
</tr>
<tr>
<td>stakeholders other than</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>shareholders</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dissemination of technical</td>
<td></td>
<td>3.94</td>
<td>3.69</td>
<td>4.07</td>
<td>3.93</td>
</tr>
<tr>
<td>information on corporate</td>
<td></td>
<td>(1.14)</td>
<td>(1.11)</td>
<td>(1.16)</td>
<td>(1.14)</td>
</tr>
<tr>
<td>performance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct sales to customers</td>
<td></td>
<td>3.18</td>
<td>2.74</td>
<td>2.09</td>
<td>2.61</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(1.56)</td>
<td>(1.39)</td>
<td>(1.5)</td>
<td>(1.54)</td>
</tr>
</tbody>
</table>

1= Unimportant; 2= Slightly Important; 3= Important; 4= Quite Important; 5= Highly Important

The stakeholder audience for ethical, social and environmental information

Table 4.3 shows that companies considered the most significant audiences for information on ethical, social and environmental information on their web-sites to be pressure groups/NGOs and government bodies. The next group included customers, stakeholders and the investment community, reflecting the importance of these stakeholders in web-site design (see Table 4.1). The low ranking attached to employees was interesting given their importance as a stakeholder in developing hard copy ethical, social and environmental
reports (Adams, 1999). This might however be a reflection of a differentiation of focus between the internet and the company’s intranet as a communication medium for employees.

Table 4.3 Importance of stakeholders in web-based ethical, social and environmental information

<table>
<thead>
<tr>
<th>Mean rating (Std Dev)</th>
<th>Aus</th>
<th>De</th>
<th>UK</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pressure groups/NGOs</strong></td>
<td>3.80 (1.12)</td>
<td>3.53 (1.17)</td>
<td>4.15 (1.11)</td>
<td>3.91 (1.14)</td>
</tr>
<tr>
<td><strong>Government bodies</strong></td>
<td>3.88 (1.17)</td>
<td>3.53 (1.10)</td>
<td>4.03 (1.07)</td>
<td>3.87 (1.11)</td>
</tr>
<tr>
<td><strong>Customers</strong></td>
<td>4.13 (0.95)</td>
<td>4.25 (1.07)</td>
<td>3.33 (1.22)</td>
<td>3.78 (1.18)</td>
</tr>
<tr>
<td><strong>Shareholders</strong></td>
<td>3.64 (1.11)</td>
<td>3.30 (1.60)</td>
<td>3.73 (1.20)</td>
<td>3.60 (1.28)</td>
</tr>
<tr>
<td><strong>Investment Community</strong></td>
<td>3.88 (1.13)</td>
<td>3.37 (1.60)</td>
<td>3.54 (1.30)</td>
<td>3.60 (1.33)</td>
</tr>
<tr>
<td><strong>Academia</strong></td>
<td>3.00 (1.32)</td>
<td>3.56 (1.20)</td>
<td>3.50 (1.30)</td>
<td>3.36 (1.29)</td>
</tr>
<tr>
<td><strong>Employees</strong></td>
<td>3.00 (1.12)</td>
<td>3.68 (1.00)</td>
<td>3.38 (1.14)</td>
<td>3.34 (1.12)</td>
</tr>
<tr>
<td><strong>Suppliers</strong></td>
<td>2.68 (1.22)</td>
<td>3.72 (1.27)</td>
<td>2.97 (1.10)</td>
<td>3.05 (1.22)</td>
</tr>
<tr>
<td><strong>Competitors</strong></td>
<td>2.84 (1.21)</td>
<td>2.89 (1.20)</td>
<td>2.57 (1.19)</td>
<td>2.73 (1.19)</td>
</tr>
</tbody>
</table>

1= Unimportant; 2= Slightly Important; 3= Important; 4= Quite Important; 5= Highly Important
The results reported in Table 4.3 highlight some specific differences between respondents from the three countries. For example, the overall importance of Pressure Groups/NGOs was being driven by the perceived importance in the UK where such groups are larger and more influential, whereas customers were considered the most important stakeholder group in Germany and Australia. Those with a financial stake in the company (shareholders and the investment community) were ranked highly in Australia and the UK reflecting the importance of the capital markets in these countries. German respondents on the other hand ranked financial stakeholders very low.

**Other forms of stakeholder engagement on ethical, social and environmental issues**

Information provided within the annual report was typically tailored to meet the information needs of shareholders. Recently there had been an increased awareness that stakeholders, other than shareholders, had an active interest in corporate performance and that the annual report was not the best medium by which to meet the information needs of these stakeholders. Companies had been proactive in their uptake of these alternate mediums of communication. However this did not suggest that the importance of the annual report had declined; as indicated in the following comment from an interviewee at company B:

*It still is probably one of the most important things we do because we send it out fairly widely.*

A major shift over the last few years that has occurred in the disclosure of environmental and social information has been the issue by many companies of a stand-alone report. This has resulted for some companies in a decrease in the quantity of information being provided within the annual report. For example, company C now only
provides a one page summary of its performance and directs the reader to the environmental report for further details. The stand-alone report itself is evolving, with companies now moving from environmental, community or EHS reports to ‘sustainability’ or ‘triple bottom line’ reports. A sustainability report seeks to provide an integrated view of the company’s overall performance, as suggested by company D:

... it [the Sustainability Report] better reflects what [company D] is and it better reflects the internal value of the topic. It is not that you have environmental aspects, discussed and reported on, and on the other hand, separately, the social aspects. When you integrate both of them then you have an internal discussion about the importance of each subject internally.

The reporting of ethical, social and environmental performance has further evolved as companies now adopt the web or electronic based mediums as their primary communications platform. Such an approach is supported by organisations such as the Australian Minerals Council who recommend that companies produce their environmental report in an electronic format. The option of the electronic format has been taken by many organisations that publish online, or as in the case of company A, which also provides its report on CD ROM. Company C initially only provided its environmental report in an electronic form, with the option of contacting the company for a hard copy of the report. The company reported that approximately a dozen such requests were received annually\(^1\). Company C justified such a stance in that, as recent providers of such a report, they had in the past never produced a hard-copy environmental report.

These forms of mediums were not the only options available to companies to communicate with their stakeholders. Respondents to the postal questionnaire were asked to identify mediums used to report on environmental issues; the results are reported in Table 4.4.
Table 4.4 The use of other media to communicate on environmental issues

<table>
<thead>
<tr>
<th></th>
<th>Percentage of Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Aus</td>
</tr>
<tr>
<td>Hard copy reports</td>
<td>83</td>
</tr>
<tr>
<td>Brochure</td>
<td>55</td>
</tr>
<tr>
<td>Newsletter</td>
<td>57</td>
</tr>
<tr>
<td>Video</td>
<td>45</td>
</tr>
<tr>
<td>CD ROM</td>
<td>38</td>
</tr>
<tr>
<td>Video conferencing</td>
<td>18</td>
</tr>
<tr>
<td>PC disk</td>
<td>10</td>
</tr>
</tbody>
</table>

Hard copy reports are by far the most popular means by which to communicate on environmental issues. Other popular mediums include brochures and newsletters. The electronic or multi-media communication mediums are somewhat less popular, particularly in the United Kingdom.

A number of additional means of engaging with stakeholders were reported by the companies interviewed. These methods included: questionnaire surveys; meetings with fund managers, screening agencies for ethical investment funds and leadership of key NGOs; CDs; meetings of various customer and community groups; presentations at conferences; stakeholder panels facilitated by outside organisations; briefings with key opinion leaders and members of the government; and, meetings of stakeholder groups specifically to discuss social and environmental reports. One interviewee at company C described efforts to engage stakeholders to get feedback on their hard copy report:
We’ve released this Public Environment Report and we sent it out to all the members [company consultative council]. We then got them [company consultative council] to have a meeting specifically to select a consultative council on what they felt about the Report. Did it meet their needs? Was it the kind of thing that they expected in terms of the company talking about its environmental performance? Are there any areas that they felt were lacking? Or suggestions? Comments? Or even encouragement?

The information requested by stakeholders to be included on the Internet through these various forms of engagement, and in particular the questionnaire survey, was often included in the following year, resulting in ever longer reports.

One of the reasons that it’s so long is that our stakeholders keep telling us that one of the most valuable parts of the report is the case studies. There are many little stories with big photographs, and people like that. They actually found out that’s what they want, that’s what they found most useful. And you know, our employees find it useful because when they get bailed up at a dinner party and asked [about an issue specific to the interviewee company] … what it is we’re doing because they’ve seen the Report and understand the issues … it’s long because our stakeholders value that information. If we got feedback saying that “Case studies are a waste of time, just give us data summaries,” then it’d be five pages long with a cover. (company A)

ERM (2000) also notes the provision of case studies (‘anecdotes’) as an area in which the Internet offers opportunities.

The increasing length of reports makes the Internet a valuable medium for reporting in that stakeholders can more easily find what they need (see chapter one). For example, an interviewee from company D argued that:
… the Internet is possibly increasing in importance because there are certain bits of information that we provide on the Internet and that we do not want to provide in the [hard copy] Report anymore. This is to make the Report more readable, more concise so that we can distribute it to our audience better and that it is used for the more general and most important information and that the Internet we will supplement that information, provide more in depth information to particular audiences.

Internally, companies use networks, the intranet and internal newspapers. Company C has an internal communications environment team that looks at:

… what initiatives we should be communicating right across the company. They tend to be more the general aspects about the environment where everybody can make a difference about the environment. And then you’ve got the more targeted, if you like, interaction and information sharing … some of the main business units will have an environment co-ordinator … . We’ll work with them to ensure environmental improvements are developed as part of their line of business on a continuing basis, based on continuing improvement.

Some thought is put into which medium to use and the choice depends on the stakeholder group to be engaged and the subject matter of the communication. For example:

So we always sit down and make an assessment about what is the ‘best’ way to communicate. There is no particular preference given to any one form. It depends on what we believe to be the best form for that audience, and that market, and that issue. So it really just depends on who we’re talking to, what we’re trying to say, how quickly we are trying to say it, what level of importance we give it, that sort of thing. It’s not like everything is thrown onto the Internet
because that’s the way we do it. I suppose we’re fairly conscious of the fact that at this point in time whilst the Internet is an extremely important communication tool certainly from a shareholder perspective, not a lot of them have access to the internet. So for us it’s a lot of “do thing” and “do them in three different ways” so that we’re not ever relying on one single form of communication to get the message out. (company B)

Different operational sites within a group might use different methods of communication and communicate to differing levels of complexity. Company B, on different operational sites indicated: “Some of them do very, very widely communicate, speak with and involve themselves with the stakeholders. Each site is quite different.”

Company F undertakes ‘gap analysis’ to identify stakeholders with which the company does not have the most suitable form of engagement mechanisms. In addition, a number of companies mentioned using guidelines such as AA1000 published by AccountAbility (AccountAbility, 1999); Environment Australia and GRI (GRI, 2002) to identify issues which might be of interest to stakeholders. Company F was also preparing a ‘stakeholder map and engagement process’.

Companies also request specific feedback on their reporting. For example, company A estimated that it receives feedback from 200-300 stakeholders on the report and with respect to the level of feedback: “Yeah, well not a lot. I mean, you certainly wouldn’t justify writing the report on the basis of how much feedback you get.” Company B indicated they also received limited feedback:

Last year I think we received 30 feedback forms … That’s fine. The fact that they took the effort. Most of them thought it was pretty good. There were a few comments about ‘it could have been better spent on improving facilities for employees’. I think most of them found that it was valuable information. A lot of them sort of said they were really only interested in their site report, but they found
information easy to understand. One of the responses last year was that they really would like more information on some of the key issues – perhaps have a bit of an idea of long-term where we are going. In fact the environmental officer and I spoke, this year we’ve managed to improve that a little bit, but he’s really going to crack down in the next year and think about their targets and think about what they can achieve. Not just think, “Oh, we’ve got this Environmental Report” but actually “What are we trying to do and how we are going to do it.”

Summary

The web-site for many companies is seen as an important medium for the communication of ethical, social and environmental information. However, at the same time, the communication of ethical, social and environmental information is seen as a relatively unimportant function of the corporate web-site. This is highlighted by the finding that despite customers and shareholders being the most important stakeholders influencing web-site design, the primary users of ethical, social and environmental information were found to be pressure groups/NGOs and government bodies. The limited importance placed by companies on ethical, social and environmental web based reporting was previously identified: SustainAbility/UNEP (1999) found that, whilst 74% of the web-sites they looked at provided financial information, only 55% provided environmental information and less than 10% social information are therefore unsurprising. Similarly, ERM (2000) found that only four of the FTSE 100 companies reported any information on social/ethical issues on their web-site.

Another finding of the survey, which must influence the content and style of ethical, social and environmental reporting, is that the main purpose of developing corporate web-sites is corporate awareness/image. The Internet is one of a number of ways of reporting to and
engaging with stakeholders on ethical, social and environmental issues and, whilst companies do not regard these as the most important issues to many stakeholders, the Internet is generally seen as a useful medium to use for those that do.

**Endnotes:**

1. When contacted this way, the company did in fact provide a copy of the report printed directly from their web-site.

2. The Consultative Council is a broad group representing many different stakeholders that was consulted by the company to receive feedback on the company actions and initiatives.
CHAPTER FIVE

THE WEB-SITE AS A COMMUNICATION MEDIUM

Companies are facing increased demand for information on their ethical, social and environmental performance from a greater range of stakeholders. At the same time, there has been an increase in the range of communication/reporting media available and being utilised to engage with these stakeholders. These developments have resulted in the communication medium (as well as content) becoming a strategic link with stakeholders.

This chapter will address:

- The strategic use of the web-site as a communication medium on ethical, social and environmental issues;
- Advantages of web-based reporting;
- Disadvantages of web-based reporting;
- The future direction of web-based reporting.

The strategic use of the web-site as a communication medium on ethical, social and environmental issues

The development by many companies of corporate web-sites as repositories of corporate information highlights its importance as a means of engaging with external stakeholders. The web-site can therefore be used to strategically target specific stakeholders, thereby meeting their information needs. But it cannot simply be assumed that such a decision is motivated primarily by the need to communicate on corporate performance. For example, company F provides limited
means of engagement on its web-site; the primary purpose of the web-site is to provide a conduit for customers to the company.

Other companies are starting to utilise the web-site to meet the specific information needs of targeted stakeholders. For example, the interviewee from Company E indicated:

… the Dow Jones questionnaire had about 80-90 questions on it and in most of those answers we include reference to the appropriate part of the web-site via an embedded html link.

As a result companies are now considering whether this medium is a primary source of information, or an additional means of information delivery. Respondents to the postal questionnaire were asked to identify the proportion of web-site content that was identified as original. The data from the questionnaire is summarised in Table 5.1.

**Table 5.1 Proportion of information provided on-line which is original content**

<table>
<thead>
<tr>
<th>Percentage of Original content</th>
<th>Number of companies in each range</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Aus (n=33)</td>
<td>7</td>
</tr>
<tr>
<td>De (n=25)</td>
<td>0</td>
</tr>
<tr>
<td>UK (n=32)</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>9</td>
</tr>
</tbody>
</table>

The results suggest that for many companies the majority of the information provided on-line is replicated elsewhere. Where there is considerable original content, a number of companies recognise that
their site is being used as a ‘customer portal’ or ‘paperless bank’ where marketing material is specifically prepared for the site, with a smaller number of companies recognising that they were starting to provide materials (such as environmental reports) only in an electronic format. Hence, the level of original material relating to communication of performance will be significantly less than that observed for the entire web-site. Many companies, however, were acknowledging that the web-site is used ‘simply as another delivery channel’. For example, company B considers the use of communication mediums strategically, rather than seeing the web-site as a ‘one-stop shop’:

So we always sit down and make an assessment about what is the ‘best’ way to communicate. There is no particular preference given to any one form. It just really depends on what we believe to be the best form for that audience and that market and that issue. So it really just depends on who we’re talking to, what we’re trying to say, how quickly we are trying to say it, what level of importance we give it, that sort of thing. It’s not like everything is thrown onto the internet because that’s the way we do it. I suppose we’re fairly conscious of the fact that at this point in time whilst the internet is an extremely important communication tool, certainly from a shareholder perspective, not a lot of them have access to the internet. So for us it’s a lot of “do something” and “do them in three different ways” so that we’re not ever relying on one single form of communication to get the message out.

This view on reporting media was supported by company F that found on a number of issues users preferred hard copy reports. Such requests were typically from individuals telephoning the company, which suggested to the respondent that they did not have access to the web. As concluded by the interviewee from company F:

I’m not convinced the Internet has sort of the same gravitas to it if I’m honest.
The future use of reporting media appears to be varied. Whilst some companies are embracing web-based reporting as an almost complete solution for communication on ethical, social and environmental issues, others are taking a more flexible approach, recognising that effective communication requires commitment to a broad range of media. As stated by company B:

*In the short-term, I think what we’ve got to do is keep doing the newsletter [the company produces its own newsletter], community face-to-face meetings until we get to a point where a lot more of the population have access to a computer … So I think in the short- to medium-term, I still think that you still need a back-up, a 3-4 pronged approach I don’t think it’s wise to focus on one key communication source. But I think what we will find over a period of time is that the importance of the web will increase whereas newspapers will decline. I don’t know whether we will get to the day where newsletters will be completely obsolete. I think what will happen is that the importance we place on different means will change over time.*

Company A summed up the general position of many of the other companies, in that they would continue to produce hard copy environmental reports until:

*… our users become more sophisticated and decide that it's clear that the web-based version is the way to go … don’t know if we are there yet.*

**Advantages/disadvantages of web-based reporting**

Given the diverse use of web-based reporting, the advantages/disadvantages as a medium to communicate on ethical, social and environmental issues are explored below.
Advantages of the web-site

The advantages of using the web-site as a communication medium, many of which were identified in Table 1.1 of this study, were not unexpected. Participants in the study highlighted accessibility, flexibility and cost as the major advantages.

Accessibility

Accessibility was described in terms of the instantaneous availability of information to a global audience, the ability to reach a broader audience that could not be accessed via more traditional mediums of communication.

Flexibility of information delivery

Coupled with accessibility was the ability of companies to execute greater control over information delivery. This may be in terms of the speed at which information was made available, or by which data could be updated or changed, to the ability to use the web-site as an information archive to satisfy the needs of a broader range of users. A number of respondents to the postal questionnaire emphasised the dynamic flexible nature of the web-site in the delivery of information content. Flexibility was highlighted with the use of links, both to additional data and also to other sites, and also the ability of users to tailor the information they accessed.

… who wants to sit through that when you can actually through, if you like, interactive figures and diagrams explain exactly what the performance has been like. You need to be shown this year's figures and then flash up last year's figures and things like that. So it can provide people with a bit more interaction in terms of going directly to particular segments of the Report without, as I said producing
hard copies …, and provide you with the ability to download particular segments of a report for people that may only want to know a particular aspect of what you do, or maybe only interested in a particular segment, so they can go straight to that report for those, providing only hard copy reports, you’re really only providing, it’s almost like a scatter gun approach – you’re providing everybody with all the information when they probably don’t even want to read, when they’re probably really interested in one or two indicators of the company. (company C)

Environmentally friendly/cost

Many respondents saw the reduced need to produce hard copy reports positively both with respect to the reduced costs to the organisation and also due to the reduced use of resources such as paper, printing and postage. This, however, only transferred the cost to the report user.

Disadvantages of the web-site

The disadvantages of using the web-site as a communication medium were identified in Table 1.1. Participants in the study highlighted accessibility, inability to target a specific audience, commitment to manage content/costs and credibility of content, as the major disadvantage.

Accessibility

The web-site enabled access to a broader range of stakeholders, however it was identified that not all stakeholders whom the company wished to communicate with had access to the internet. There was
an acknowledgement that the availability of technology was limited in some sections of the community, the so-called ‘digital divide’.

… recognising that there is a significant portion of our shareholders who are not going to have access to the Internet, so they need to know where to get information. And we’re not telling people that the only way to get information is through the web – we say – here’s one page and if you want further information, you’ve the option to go directly to the web and search yourself for the information or you can contact us directly and we’ll provide you with a full hard copy. (company C)

A small number of postal questionnaire respondents suggested that the web-site was a difficult medium for the delivery of content such as large documents that needed to be down-loaded or the presentation of large sets of data/tables. Summarised information could result in misinterpretation of what was being presented.

Yeah, look it’s great if you just want to get hold of a company’s policy or charter or yeah that kind of stuff, that’s great. And you know, we use it for that, and I think it is very effective in terms of providing very quick access. You know, if you want to see if a company’s got a policy position on climate change, you can check that in five minutes and it’s very handy. So yeah, it has its place. But I don’t think it’s a great way to read a report or download a very large report, as ours tends to be. (company A)

Inability to target a specific audience

A number of respondents indicated that communication was not a targeted means of information delivery, hence it could not be guaranteed that all of a targeted audience was reached.

There could be a key target audience. What about our indigenous communities in isolated areas? They’re certainly not going to be
accessing the Internet to find out about your company. There’s the possibility that none of them will have access and you lose very important opportunities to communicate. (company B)

Some respondents simply identified that other forms of communication (such as face-to-face and conferencing) were much more effective in the delivery of information. This was particularly the case where stakeholders were in remote locations or their information needs could not be satisfied with general information.

Commitment to manage content (timeliness/accuracy/costs)

The web-site was seen as flexible, however, it was also identified that it required a considerable resource commitment to maintain. There was an expectation that information be constantly updated, and that procedures needed to be implemented to ensure that information deemed ‘out of date’ was removed, with the accuracy of the information seen as an ‘imperative’ for the effective use of the web-site. A number of respondents to the postal questionnaire identified the infrastructure costs associated with developing and maintaining a web-site as a significant disadvantage.

There’s a cost associated with really utilising the web to the extent that you could. I suppose it’s something that you need to budget for. But yes, to really make it interactive, as you said, the cost of establishing it and managing it would increase significantly. (company B)

I think you have to be fairly disciplined in keeping the thing updated because a lot of issues move on quite fast particularly in this sort of area. (company F)

Cost was identified both as an advantage and disadvantage for different reasons. However no company provided further comment on a net position as to the overall cost involved (that is the potential
Credibility of content

A number of German respondents to the postal questionnaire raised the issue of credibility, suggesting that other forms of media were more credible, or that given the ease with which data was made available that ‘people doubt authenticity of information’ on the Internet.

The most common response from the survey was however that there were no perceived disadvantages with the use of web-based reporting. This was perhaps not surprising given who the respondents were (web-site managers), but does suggest that some companies did not fully appreciate the current limitations of the web-site as a communication medium, as discussed in previous sections.

The future direction of web-based reporting

From the interviewees there was a mixed response as to the future direction of web-based reporting. This appeared to be predominantly determined by the current use of the web, with, for example, companies A and B both indicating that whilst there would be growth in the reliance on web-based reporting, it would still be part of an overall approach to communication. Both companies recognised that users were not yet equipped to rely solely upon the web-site as a source of information, with a large number of people still with only limited access to the web.

Interviewees also recognised that the amount of information provided online would increase significantly, and this would progressively replace hard-copy reporting.

*Short term – more of the same. In due course increasingly material will be web-based. Data will be updated weekly (not monthly) so
will become a live set as opposed to the snapshot it currently represents.  
Hard copy reports will still be produced but will became shorter – with a larger data set that is regularly updated. (company A)

Interview respondents did indicate a move toward more regular updates of web-based information content. There was a recognition that this communication medium could be utilised to provide a regular update of corporate performance rather than the single snap-shot currently being provided by more traditional communication media. There was also the suggestion that web-sites would become more interactive, with users more able to determine the information they accessed.

*Looking at providing more interactive information on the web.*

Greater use of the web capabilities and capacities – (ie. direct links to the people who provide safety data sheets through the contact through the dialogue page, then redirect it to people in the office who provide the service – can direct then straight to the people). (company D)

Company D was therefore looking at utilising the web-site as a vehicle to provide more interaction between personnel within the company and external stakeholders. However, these were issues previously identified as being constrained by the availability of resources.

**Summary**

The general impression about web-based reporting from the interviewees was one of growing importance, reflected by the intent to increase web-site content. This growing importance of the web-site was, however, tempered by access problems, firstly in terms of individuals’ access to the web, and secondly, the accessibility of information once the user had contact with the web-site. However, this was not a
general conclusion that could be applied to all companies. From the postal questionnaire it was observed that the most common response to the question on disadvantages of the web-site was that there were no perceived problems. Perhaps this was a reflection of the difference of opinion between web-site managers and those directly responsible for corporate communication on ethical, social and environmental issues. Certainly the latter group felt that the web-site alone was not adequate. These observations do, however, provide a cautionary note for companies that are contemplating or have already adopted a predominantly web-based approach to corporate communication on ethical, social and environmental issues.

Endnote:

1 It was the personal view of the interviewee that many of the individual shareholders within the company still did not have sufficient access to the internet and this therefore reduced the effectiveness of the web-site as a communications media.
CHAPTER SIX

CONCLUSIONS

This chapter seeks to draw conclusions from the analysis of previous chapters. Issues covered in this chapter include:

• The limited use of the web-site as a communication medium for ethical, social and environmental issues;

• Recommendations for improved web-based communication; and

• Future directions for the development of web-based communication to be considered by members of the accounting profession.

The limited use of the web-site as a communication medium for ethical, social and environmental issues

A recurring theme throughout the study has been the limited use of the web-site by a large proportion of companies for the purpose of communicating on ethical, social and environmental issues. From the analysis of the postal questionnaire, interview data and web-site monitoring a number of possible reasons for such limited usage appeared.

Corporate communication is not the primary objective of the web-site

Whilst it was observed that the majority of large companies in the three countries analysed had a web-site at the time of the study, the purpose of such a web-site differed significantly between companies. In the monitoring of web-sites it was obvious that
corporate communication was not always the primary purpose of the site, particularly in the case of retail companies. For these companies the availability of corporate information was not obvious from the company’s home page, which was usually devoted to consumers and web-based sales. For example, Coles Myer had a single heading at the top of the home page titled ‘Corporate Information’, for Telstra the user had to scroll down the page to find the major heading ‘Telstra Services’ under which could be found the link ‘About Telstra’\(^1,2\). Clicking onto this link provided access to other links including ‘Investor Relations’ under which one could access corporate information. A subsequent result of web-sites being developed as a consumer portal was that either accessibility to corporate information was limited or the importance of reporting was downplayed. Reiterating an observation from company F:

\[
\text{... to get down to the environment you have to go down about,}
\]
\[
\text{... six levels ... the only people who get down are pretty bloody determined to get there frankly and that’s to do with the decision the business has currently got.}
\]

Company D had an entirely separate site for the reporting of environmental information, although it was intended that the two sites be integrated in the near future.

**No strategic consideration of the web-site as a communication medium**

Many companies felt that they needed a web-site presence. The web-site was created with the intent of ‘keeping up with the Jones’. This resulted in a situation where a web-site once created becomes neglected with content being initially imported but not regularly updated. Alternatively companies saw the web-site as an extension of the traditional reporting process, where items such as the annual and
environmental report were uploaded as a PDF. This overlooked the use of the web as a dynamic environment, where users were familiar with live data or continuous updates. Out-of-date information was left on-line and many of the features of the web were neglected.

**Restricted development of the web-site**

A constraint for many companies in the development of the web-site was funding. It became apparent that whilst companies were prepared to fund the initial development of the web-site, further funding for continual development was restricted. Managers identified the need to justify the existence of the web-site through data collection. Other respondents to the postal questionnaire indicated that while they were aware of communication aspects related to the web-site, these were not considered in the initial development and they were not in a position to take advantage of these due to resource constraints. Some respondents indicated that the development of the web-site was restricted due to expectations of user preferences or user capabilities.

Not all of these themes were observed in every firm with limited development of the web-site as a communication medium, but these themes appeared for many firms that had not fully developed their potential in utilising the web-site as a communication medium.

**Recommendations for improved web-based communication**

From the analysis, there appears to be some diversity in the approaches taken in utilising the web-site as a communication medium. Some companies view the web-site as an addition to the more traditional forms of communication, and others provide documentation only *via* the web. However, these are perhaps superficial differences in the utilisation of the web, as for most cases the web-site as a
communication medium is seen in the same light as other reporting media, with the focus on information-push from the companies. For example, most companies are only replicating their hard copy reports. Few companies are adopting communication strategies that utilise the inherent advantages of the web-site, specifically the ability to have real time engagement with a broader range of stakeholders and the ability for stakeholders to tailor their own information needs from the company web-site.

To overcome the limited development of the web-site as a communication medium, a number of recommendations are put forward.

**Strategic consideration of communication media**

For many companies the decision to develop a web-site does not seem to be motivated by the advantages offered by web-site communication. Firms need to take a more strategic consideration of corporate communication. To reach the breadth of stakeholders that the firm may wish to engage requires a multi-faceted approach. Web-based communication can strategically fit within a corporate communication strategy by complementing hard copy reports and by allowing access to greater detail that can be tailored by the user. Such tailoring may include operational-specific information or case studies where the level of data can be altered to meet an individual’s needs. Additionally web-based reports can include elements of ‘live’ information, where data can be immediately transmitted to all potential stakeholders. Direct proactive interaction that has previously been dominated by face-to-face consultation with selected stakeholders can now also be supported by web-based facilities. This could include dedicated discussion boards or web-based fora that are open to a broader range of stakeholders.
The web-site can also provide other portals into the company such as dedicated email addresses to various sections of the firm. The web-site need not only mirror traditional reporting mediums, but could also complement and enhance a company’s ability to have two way communication with a broader range of potential stakeholders. Certainly many companies are now using the web-site more strategically for marketing purposes. The web-site as a corporate communication medium also should be scrutinised as to the purpose and effectiveness in engaging with stakeholders.

There does appear to be a contradiction in the importance of the web-site as a communication medium. For those within the company involved in communication, the web-site is identified as an important tool. However, for many of the companies interviewed and web-sites monitored communication of corporate information is not the primary purpose of the web-site, and as such, the development of the communication component of the web-site has been retarded. This does however contradict the results reported in Table 4.2, where corporate awareness/image was ranked highest for the purpose of the web-site development and direct sales to customers was ranked lowest.

**Dedicated web-site for corporate communication**

A fundamental limitation with a number of web-sites is the ability to identify and then access the relevant sections. Whilst for many companies this is not a problem, for those where the corporate site or ethical, social and environmental section is not obvious on the homepage, then access is a relevant issue. Many firms need to consider the architecture of the web-site, with contact details spread throughout their site, and the requirement that many site layers need to be navigated prior to the ‘discovery’ of the relevant information.
Dedicated resources to support web-site communication

Without the availability of appropriate resources by the company, improved corporate communication is not possible and the full advantages of the web-site are not utilised. This goes far beyond the necessary set-up costs to continued commitment to provide support and improve operating functions. For example, to communicate with a company by telephone requires mechanisms by which to answer and respond. The same level of resources is also necessary to communicate via the web-site. For many of the questionnaire respondents and interviewees this issue was identified as retarding the development of the web-site as a communication medium.

Future directions for development of web-based communication to be considered by members of the accounting profession

In chapter five respondents’ views on the future direction of their company’s web-site were canvassed. From the analysis of data collected a number of areas where broad improvement in corporate reporting could be achieved are put forward. This is premised by an expected increased reliance upon web-based communication on ethical, social and environmental performance reflecting an increase in access by potential stakeholders. It is recommended that members of the accounting profession should consider and encourage the improvement of the following issues when developing the corporate web-site:

- Increased content;
- Improved accessibility;
- Improved verification; and
- More sophisticated use of the web-site as a mechanism for feedback.
The increase in content is not just related to the provision of a greater number of pages of data, but also to an increase in the use of links to relevant sources and the move towards ‘live’ data streams. A firm’s ability to measure and track performance on a regular basis should be matched by its ability to report on such performance. For example, just as investors now expect live data on share prices, the same demands on other areas of performance will also be expected. In the immediate future it is not anticipated that there will be live data on issues such as emissions, but there would be an expectation of regular updates that would match information already being produced and reported to regulators.

The increase in content must be matched by increased accessibility. Many web-sites already have a significant volume of information and are difficult to navigate. Companies are responding to this problem by reducing the amount of online content, however an alternate option could be to enhance the accessibility via better enabling users to tailor or customise the information through search engines. At the same time it is also important for the users to be able to identify when new content is available. Currently very few companies highlight new information on their web-sites. Many companies may in the future become more proactive in contacting stakeholders with respect to changes in performance (or disclosures on performance) via email. Adoption of such practices at the moment is limited in terms of the number of companies and the information that they are providing.

The increased use and reliance on web-based reporting will continue to be handicapped whilst there are serious questions as to the credibility of the information provided. Presently a number of companies, for legal purposes, have inbuilt verification processes, but this is simply a means of protection and does not necessarily increase the credibility of the information provided. Hence there is a need for greater use of external verification. This raises a dilemma for companies, for it would not be reasonable to have continuous updates
of data and continuous verification. A compromise would need to be determined. At the very least, major reports and quantifiable data should be verified to some extent so as to provide users with reassurance as to reliability.

Finally, the web-site should be developed to provide a more sophisticated analysis of information demands to enhance the company’s ability to engage with stakeholders. The web-site provides the first accurate means by which actual data on information can be compiled. Such information can be (and is) used to assist in determining and meeting the information requirements of stakeholders. Through the use of *foras* and notice boards the web-site can also be used to meet the information needs of specific and targeted stakeholders. However this would require a considerable resource commitment by many firms. That is the crux of the problem. Other than limited access by stakeholders, many of the problems associated with web-based communication and the advantages that can be provided are available, but problems still exist because of limited resources. At present the perceived benefits may not outweigh the costs, but with continuing increased access to the web, companies must constantly reassess their commitment to web-based communication.

**Summary**

At present there is considerable diversity in the way companies are using their web-site to communicate on ethical, social and environmental issues. Very few companies are however taking full advantage of their web-site, simply seeing it as an extension of the traditional reporting mechanisms. For the web-site to advance, companies must utilise the unique features that enable greater and more direct engagement with stakeholders. This would however require additional resources for web-based communication, resources
that may not be justifiable given the current limited access to the web by many within the community.

**Endnotes:**

1. The other option would be the use of the search engine.
2. The web-site has since been reconfigured and access to the corporate web-site is now more readily identifiable.
REFERENCES


Cowen R (2001), ‘Corporate gloss obscures the hard facts: social responsibility: company information on social issues is often long on promises and short on details’, *Financial Times*, December 11, pp.18.


SustainAbility (2001), Virtual sustainability: using the internet to implement the triple bottom line, SustainAbility.


# Appendix One

## Web-site Survey Checklist

### Name of Company:

### Notes for Completion of Form

We are looking at three main parts of the web site: social/community; environmental, health and safety; other. Questions 1 to 18 should be answered in relation to these three areas with a ✓ (yes), X (no) or other appropriate entry in each column. Column headings stand for:
- S = social/community
- E = environmental, health and safety
- O = other

<table>
<thead>
<tr>
<th>Date of monitoring</th>
<th>S</th>
<th>E</th>
<th>O</th>
<th>S</th>
<th>E</th>
<th>O</th>
<th>S</th>
<th>E</th>
<th>O</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retrieval</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Are parts of the website in a format to facilitate printing?:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1 PDF format</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.2 Other - word/text</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Access - bobby (other?)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Graphics</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Are the following graphic facilities being used?:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1 Static</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.2 Animation - flash</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.3 Animation - gif</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. What appears to be the main purpose of the graphics in each of the three sections? Rank the following:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1 To inform</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.2 To entertain (ie gimmicking)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.3 To promote the company or its products</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Date of monitoring</td>
<td>S</td>
<td>E</td>
<td>O</td>
<td>S</td>
<td>E</td>
<td>O</td>
<td>S</td>
<td>E</td>
<td>O</td>
</tr>
<tr>
<td>--------------------</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>NB For questions 4 and 5 require saving the file in Internet Explorer 5 so that each graphic is listed separately showing its size.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. How much space is devoted to flash graphics on the following pages?:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.1 Web site home page</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.2 Environment home page</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.3 Social/community home page</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. How much space is devoted to gif graphics on the following pages?:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.1 Web site home page</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.2 Environment home page</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.3 Social/community home page</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**LINKS TO OTHER SITES**

6. Are there links from the social/community and/or environmental web sites to sites of:

6.1 Regulatory bodies
6.2 Government departments
6.3 Industrial associations
6.4 Professional bodies
6.5 Pressure groups
6.6 Other parts of the company’s web site.
6.7 Are links framed?

**TREND DATA**

7. For how many years are information or reports provided?:

7.1 Social/community
7.2 Environmental, health and safety
7.3 Other
<table>
<thead>
<tr>
<th>Date of monitoring</th>
<th>S E O</th>
<th>S E O</th>
<th>S E O</th>
<th>S E O</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTERACTIVE</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. What time period does the news archive cover</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Is the following information given for the team responsible for preparing the information in the social/community and environmental, health and safety?: (if more than 1 individual, do for all listed individuals)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9.1 Name</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9.2 Person’s job title.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9.3 E-mail address</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9.4 Length of time it takes to acknowledge emails</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9.5 Length of time to reply to questions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9.6 Phone/fax number (convention communication mediums)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Are the following further modes of interaction available on the social/community and environmental, health and safety sites?:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.1 Form/survey</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.2 Guestbook</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.3 Discussion forum</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.4 Interactive case study</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.5 On-line conference</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. Are the following multimedia options available?:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11.1 On-line conference</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11.2 Video</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11.3 Audio</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. Are search facilities available?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12.1 Basic</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12.2 Advanced</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Date of monitoring</td>
<td>S</td>
<td>E</td>
<td>O</td>
<td>S</td>
</tr>
<tr>
<td>--------------------</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td><strong>UPDATING</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13. Is it possible to order hardcopy reports <em>via</em> the web site?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14. What was the date of the last update?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15. What was the date of last news release?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16. Is there an alert to the latest information on the site?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>DESIGN</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17. Rank the following on a scale of 1-5 where 1 is very poor/little, 3 satisfactory and 5 excellent/a large amount</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17.1 Ease of navigation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17.2 Visual attractiveness of the display</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17.3 Quantity of information on each page</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17.4 Ease with which reader can select level of detail of information <em>ie.</em> chose between getting an overview or more depth information.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17.5 shallow/deep architecture</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Date of monitoring</td>
<td>S</td>
<td>E</td>
<td>O</td>
<td>S</td>
</tr>
<tr>
<td>--------------------</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
</tbody>
</table>

**VERIFICATION**

18. Rank the extent of verification of information on the site as follows:
1 - None
2 – Some of the reports are available in PDF or other easily printable format
3 – All of the reports are available in PDF or other easily printable format
4 – Some information which is not available in PDF or other easily printable format
5 – All information which is not available in PDF or other easily printable format
Appendix Two

Questionnaire Survey

Section 1: Respondent profile

1.1 What is your position title? ……………………………………………………………

1.2 What is the main activity of your company? (If your company is involved in more than one activity please indicate) ………………………………………

1.3 Approximately how many people does your company employ worldwide? 0-1000 □ 1001-5000 □ 5001-10000 □ 10001-20000 □ 20001- □

1.4 Would you describe your company as a Multi-National Corporation? Yes □ No □

1.5 What are the total sales of your company? ……………………………………

1.6 What are the total assets of your company? ……………………………………

1.7 Does your company sell its products over the web? Yes □ No □

1.8 How many years experience have you with respect to internet technologies? Less than 1 year □ 1-2 years □ 2-5 years □ Greater than 5 years □

1.9 How many years has your company maintained a web-site? Less than 1 year □ 1-2 years □ 2-5 years □ Greater than 5 years □

1.10 How many years have you been involved in your company’s web-site? Less than 1 year □ 1-2 years □ 2-5 years □ Greater than 5 years □
### Section 2: Web-site development

2.1 In designing the web-site, how important are the following stakeholders?

(1 = Unimportant; 2 = Slightly Important; 3 = Important; 4 = Quite Important; 5 = Highly Important)

<table>
<thead>
<tr>
<th>Importance of Stakeholders in Web Design</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>Shareholders</td>
</tr>
<tr>
<td>Employees</td>
</tr>
<tr>
<td>Community groups</td>
</tr>
<tr>
<td>Government</td>
</tr>
<tr>
<td>Customers</td>
</tr>
<tr>
<td>Suppliers</td>
</tr>
<tr>
<td>Non-Government Organisations</td>
</tr>
<tr>
<td>Other? .........................</td>
</tr>
</tbody>
</table>

2.2 How important are the following purposes in the development of your web-site:

(1 = Unimportant; 2 = Slightly Important; 3 = Important; 4 = Quite Important; 5 = Highly Important)

<table>
<thead>
<tr>
<th>Importance in Developing Web-Site</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>Corporate awareness/image</td>
</tr>
<tr>
<td>Dissemination of technical information on corporate performance</td>
</tr>
<tr>
<td>Direct sales to customers</td>
</tr>
<tr>
<td>To provide a mechanism for communication with shareholders</td>
</tr>
<tr>
<td>To provide a mechanism for communication with stakeholders other than shareholders</td>
</tr>
</tbody>
</table>
2.3 Is the company’s web-site developed/designed:
  internally □  contracted out □ (go to 2.4)
If developed internally, how many full-time equivalent people are
employed for web-site maintenance? ..............................................................

2.4 Are guidelines produced internally on the design and application of
electronic communications?  Yes □  No □
If No, what are used ..........................................................
                                                                                           ..............................................................

Section 3: Web-site features

3.1 Does the web-site identify the number of users visiting the site?
  Yes □  No □
Does the web-site track individual users?  Yes □  No □
If yes to either question, how do you use this information?
                                                                                           ..............................................................

3.2 Do you provide users visiting your site with a choice as to whether they
can view your site without graphics (i.e. text only, or text, graphics and
audio)?  Yes □  No □
If not, please state reason.
                                                                                           ..............................................................
                                                                                           ..............................................................

3.3 Does your site include search engines and/or a web-site map?
  Yes □  No □

3.4 Does your site provide real-time data (or data after a short delay), for
example, the company’s share price within 24 hours of the previous
close of trade?  Yes □  No □

3.5 Are languages other than English available on your web-site?
  Yes □  No □ (go to 3.6)
If yes, what sections of the site?
                                                                                           ..............................................................
                                                                                           ..............................................................
3.6 What do you consider the financial & non-financial costs to be for:
- Setting up a site on the Internet? .................................................................
- Maintaining this web-site? ........................................................................
- Providing avenues for interaction with stakeholders on the web site? .......

Section 4: Web-site promotion

4.1 Does the company maintain an email list to inform when there are changes made to the web-site? Yes ☐ No ☐
If Yes, is the email list selective in that it only informs when specific sections of the site are changed? Yes ☐ No ☐
Does your company have a message board? Yes ☐ No ☐

4.2 Which of the following mechanisms are used to promote the use of your web-site?

<table>
<thead>
<tr>
<th>Mechanism</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notification within hardcopy reports</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Email messages to key stakeholders</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Letterhead</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Discount sales to online customers</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Links to your web-site provided on other organisation’s web-sites</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Other ..................................................</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

Section 5: Web-site information content

5.1 What proportion of information provided online do you believe is original (ie not disclosed in any other format)? ...%
Do you believe that this will change in the near future?
Yes ☐ No ☐
Please comment.

5.2 Do you put all press releases onto your site or just a selection?
Yes ☐ No ☐

5.3 What proportion of the annual report is put on the web-site:
complete ☐ part ☐ none ☐ (go to 5.6)
If only part of the annual report is included, do you draw the omissions
to the users attention? Yes ☐ No ☐
How soon after the hardcopy report is published is it put on-line?

In what format is it put on-line:
acrobat reader ☐ html with hyperlinks ☐ other ☐

5.4 Are previous years financial statements archived on-line?
Yes ☐ No ☐ First Year placed on-line ☐

5.5 Please outline your company’s policy regarding amendments or additions
to the site, and the frequency with which these are made?

Section 6: Web-site verification

6.1 Is information provided on-line verified? Yes ☐ (go to 6.2) No ☐
Are there plans to provide verification of such information in the
future? Yes ☐ No ☐
What are your views on on-line verification?

6.2 Does the legal department vet all information before posting?
Yes ☐ No ☐
6.3 Is the information on the company web-site vetted by internal personnel other than the legal department?  Yes ☐  No ☐
   If yes, please give job title.

6.4 Is the information on the company web-site verified externally?  Yes ☐  No ☐
   If yes, by whom .................................................................

Section 7: The web-site and environmental & social reporting

7.1 Has your company signed up to an external protocol/industry code, or adopted an internal policy with a commitment to social and/or environmental issues?  Yes ☐  No ☐ (go to 7.2)  Not sure ☐
   Does this require reporting on company performance?  Yes ☐  No ☐  Not sure ☐

7.2 Is an individual designated to manage the disclosure of social and environmental on your web-site?  Yes ☐  No ☐ (go to 7.3)
   Please state job title. .................................................................
   Is this person also responsible for disclosure within the annual report/environmental or community report?  Yes ☐  No ☐

7.3 Who are perceived to be the primary users of the environmental information on the web-site?
   (1= Unimportant; 2= Slightly Important; 3= Important; 4= Quite Important; 5= Highly Important)

Importance of Users of Web Based Information

<table>
<thead>
<tr>
<th>User Type</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholders</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Employees</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Customers</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Suppliers</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Academia</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Government bodies</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Pressure groups/NGOs</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Competitors</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Investment Community</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Other</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>
7.4 What avenues on the web-site are available for the company to receive feedback on the company’s overall environmental performance (e.g. email addresses of environmental officers)? .................................................................

7.5 What other media is used for communicating information on environmental issues?

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hard copy reports</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Video</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Video conferencing</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>PC disk</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Newsletter</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Brochure</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>CD ROM</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>
| Other... Please specify......................................................

7.6 What do you see as being the advantages of using the web for communicating on social, ethical and environmental information as opposed to other communication mediums?

........................................................................................................................................
........................................................................................................................................
........................................................................................................................................

7.7 What do you see as being the disadvantages of using the web for communicating on social, ethical and environmental information as opposed to other communication mediums?

........................................................................................................................................
........................................................................................................................................
........................................................................................................................................

Thank you for taking the time to complete this questionnaire.
Note on postal questionnaire research method

The postal questionnaire was sent to the largest listed companies with an identified web-site, with the final sample in Australia (1011), Germany (1372) and the United Kingdom (1313). The postal questionnaire was mailed out in September/October 2001. The number of respondents was 35 from Australia (35 percent), 31 from Germany (23 percent) and 45 from the UK (34 percent). The questionnaire was prepared in English only which may account for the lower response rate from Germany4.

The questionnaire was addressed to the person who managed web-site content, reflecting the researchers desire to contact the individual responsible for design and overview of the entire web-site. Whilst such an individual may not be able to comment on all web-site content, particularly in the areas of ethical, social and environmental issues, it was felt that such an individual would be better positioned to provide details of the overall purpose of the web-site.

Endnotes

1 For the Australian sample, the top 150 companies based on market capitalisation were contacted to ascertain contact details for the web-site manager. A final sample of 101 was determined by: three companies had no web-site, three had a policy of not participating in surveys, eight refused to participate, 12 had offshore headquarters, 13 would have resulted in a duplication of response, three were delisted by the time the questionnaire was posted and seven were sent back return to sender.

2 Due to a poor response from companies on contact details, questionnaires were sent to 150 companies, with 13 companies declining to respond giving a final sample of 137.

3 Due to a poor response from companies on contact details, questionnaires were sent to 150 companies, with 19 companies declining to respond giving a final sample of 131.

4 Early and late responses were tested using a Mann-Whitney U-test. No significant bias was observed.
APPENDIX THREE

AREAS COVERED BY INTERVIEW

1. Background:
   - Some background on the firm/participant
   - Is there one person who is charged with the overall responsibility for social, environmental and ethical issues?

2. Communication Strategies:
   - Which stakeholders (internal/external) receive the greatest focus for communication on these issues?
   - What are the pro-active means of communication adopted (e.g. face-to-face meetings)?
   - What are the passive means of communication adopted by the company – disclosure of performance information (e.g. annual reports)?
   - What other means does the company use to interact with these stakeholders?
   - How are communication mediums and stakeholder information needs matched?
   - Who is involved in determining what information on social, environmental and ethical issues is collected?
   - What are the deemed the highest priority communication mediums?
   - Who is involved in collating information for disclosure on social, environmental and ethical issues – is this centrally co-ordinated?
   - Is there one person who is responsible for the information disclosed in all reporting mediums adopted by the company (including the annual report/web-site) – if not, who is responsible for each medium?
3. Importance of the Company Web-site:
   - How important a medium is the web-site?
   - What do you see as the future of the internet as a communication medium?
   - Who initiates placing information on the web-site (do you volunteer or are you directed to place certain information on-line)?
   - How often is web-site information/design reviewed – who is responsible for this?
   - What is the level of consultation with the web-site manager – or do you simply just forward the relevant information?
   - What do you see as being the advantages of using the web for communicating on social, ethical and environmental information as opposed to other communication mediums?
   - What do you see as being the disadvantages of using the web for communicating on social, ethical and environmental information as opposed to other communication mediums?