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THE QUALITY OF THE WEB SITES FROM THE IIRC PILOT PROGRAMME

Empirical study

Keywords

Integrated reporting
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Transparency
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JEL Classification:

M41, Q56

Abstract

This study aims to investigate the quality of the Web sites content of the companies from the IIRC Pilot Programme in 2013 and how corporations use their Web sites to emphasize the environmental responsibility. We try to determine the quality of the web sites of by the organizations included in the IIRC Pilot Programme in 2013 and their ability to support the access to environmental elements.

In the first part, the paper tries to review the existing literature regarding the quality of the Web sites especially regarding their attitude towards presentations of the informations through their Web page. And in the second part we present our result.

[1] Introduction

The company uses its corporate web site to provide general and specific information to all visitors, or basic product information for visitors, the Web sites maybe a „wall” between the company and the shareholders.

Today, technology allows corporation to include useful information for their stakeholders on their web sites. This is an cheaper way of communication and the most flexible and the easiest to use.

This study aims to examine how organizations attempt to utilize their Web sites to present environmental informations and to present the quality of the Web sites. This study analyzed the content of the web page by the organizations included in the IIRC Pilot Programme in 2013. 99 organizations were identified that meet this criterion. We visited and analysed only a number of 73 web sites. We choose companies from all the industries presented in the IIRC Pilot Programme in 2013.

Our focus in this paper is the quality of the Web sites. We choose the same sample of a previous study who investigate of reporting practices used to disclose value creation and value distribution to different stakeholder groups by the companies that subscribed to the International Integrated Reporting Council's Pilot Programme.

Since its establishment, the IIRC has developed a Pilot Programme which included a number of 99 companies for the financial year 2013, all of which have agreed to be presented as supporters of IR principles on the IIRC website. Therefore, we analyze the Web sites of the companies who are in the IIRC Pilot Programme to determine what are the practices used by these companies in the process of communications through their web sites. and how, these companies are using their Web sites to engage their publics, encourage feedback, and meet the informational needs of their publics.

[2] Literature review

The architecture of corporate web sites appears to have incorporated a number of common features, like site maps, search capabilities, a feedback mechanism, location information, privacy policy statement that makes the communication with stakeholders easier (Robbins & Stylianou, 2003).

Kent and Taylor (1998) offered five principles for organizations to follow to increase open communication and organizational responses to public needs. These principles include offering (1) dialogic loops, (2) ease of interface, (3) conservation of visitors, (4) generation of return visits, and (5) providing information relevant to a variety of publics.

In a study on users' satisfaction upon the dimensions of the web sites conducted, Stanciu and Pana (2012) find that the most relevant criteria when referring to the quality of web sites are quality of the information provided, facility in information presented and web-site global organizations, while easiness in navigation is considered as having an average importance.

Web applications are very useful if they meet criteria like reliability, security and usability (Offut, 2002). Regarding usability, web sites users like more the web sites that are more usable and that meet their needs and expectations (Stanciu & Pana, 2012).

The information presented by the dialogic loop give users an opportunity for feedback, a platform to vote on issues and voice opinions, and offering information which they need (Kent et al., 2003), then the dialogic loop should be updated to include social media.

[3] Methodologie

Our study is based on analyzing the content of the Web sites by the organizations included in the IIRC Pilot Programme in 2013. 99 organizations were identified that meet this criterion. We visited and analysed the Web sites of these organizations. Thus, we analyzed a number of 73web sites. We choose companies from all the industries presented in the IIRC Pilot Programme in 2013.

In order to compute the Quality of the web sites Index, we considered as relevant elements of the content of the web sites, elements who were analysed also by Kim et al (2010).

Using this evaluation grid is effective because it manages to combine several types of information in a score that is comparable and relevant to all firms in the sample.

The formula for computing the quality of the web site index is

$$QWSI = \frac{\sum_{j=1}^{n_j} Y_{ij}}{n_j}$$

Where:

n_j is the number of items expected to be included on the web site of j th company;

Y_{ij} equals 1 if the item is present and 0 if the item is not present.

The study completes other studies examining performance on the internet over a longer period of time, by adding others variables such as format and other characteristics of the web sites. There were identified two main components of disclosure on the web, namely content and presentation, as Sharma (2013) mentions.

The disclosure of information combined with interactive communication and media offers flexibility in comparison with paper format, when referring to presentation perspective.

Wright & Hinson (2010) find the social media as blogs, Facebook and Twitter allow companies to provide regular information to users directly instead of relying on traditional media

Robbins & Stylianou (2003) found important some elements like Search engine box, Site map, hyperlinks to other sites, categorized sub menus, multilingual options, internal link and calendar events that were put together in the navigation section, also the study aimed to observe if the web sites present information about their localization and contact like physical address, office telephone number, e-mail address and opportunity for user response, all of these elements being included in the dialogic loop.

[4] Results

To test for dialogic relationship building through the Internet, this study examines the extent to which companies are using their Web sites to build relationships with publics. Research questions that guided this study included:

RQ1: How many companies present environmental information in a special menu.

To measure if the company has a stand-alone environmental menu, we analysed all the web sites of the companies from our sample.

Insert table 1 here

For each variable from our grid was coded with „1” if the company has a stand-alone environmental menu and with „0” if not. Then, the scores were calculated by dividing the number of yes-coded occurrences by the number of total variable and converting them to a percentage.

Of all the companies from our sample, 63% have a stand-alone environmental menu on their Web sites.

Insert table 2 here

RQ2: Which is the most qualitative category of industry through their web sites?

As shown in Table 4, all eight categories of industry from the IIRC Pilot Programme in 2013 were represented in the sample. To measure the quality of the web sites, for each variable from our grid was coded with „1” if the variable was found and with „0” if not.

Insert table 3 here

Then, the scores were calculated by dividing the number of yes-coded occurrences by the number of total variable in each category and converting them to a percentage.

Insert table 4 here

For this questions we can see that the most qualitative industry through their web sites is „Technology” with 60%.

Insert table 4 here

[5] Conclusions

This study shows that quality of the web sites is very important in the relation between the companies and the public, because is probably the most easier way to found information about the company. In our study highlights that the most qualitative web sites are them from the technology industry, probably because they are most professional in that area.

It must also be remarked that most of the companies have a stand-alone environmental menu, the other have informations about environment in other sections like Responsibility, Corporate social responsibility.

The dynamic nature of web sites suggests that the study is limited, because web sites were visited at only one point in time. The study relied on the presence or absence of certain content and design features to make the difference between the countries or by industry classification.

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APPENDIX

Table 1 The sample represented by the IIRC Pilot Programme in 2013

BASIC MATERIALS	CONSUMER GOODS
AkzoNobel NV, Netherlands	The Clorox Company, United States of America
AngloGold Ashanti, South Africa	The Coca-Cola Company, United States of America
BASF SE, Germany	Danone, France
Cliffs Natural Resources, United States of America	Marks and Spencer Group plc, United Kingdom
MASISA SA, Chile	Sainsbury's, United Kingdom
Teck Resources, Canada	Showa Denki Co. Ltd., Japan
Solvay, Belgium	Unilever, United Kingdom
CONSUMER SERVICES	INDUSTRIALS
New Zealand Post, New Zealand	AB Volvo – Volvo Group, Sweden
Slater & Gordon Lawyers, Australia	Atlantia SpA, Italy
FINANCIALS	BAM Group, Netherlands
Achmea (formerly Eureko), Netherlands	CCR SA, Brazil
AEGON NV, Netherlands	Diesel & Motor Engineering PLC, Sri Lanka
Association of Chartered Certified Accountants, United Kingdom	Flughafen München GmbH, Germany
bankmecu Limited, Australia	Randstad Holding NV, Netherlands
BBVA, Spain	Tata Steel, India
BNDES, Brazil	Transnet, South Africa
The Crown Estate, United Kingdom	Via Gutenberg, Brazil
DBS Bank, Singapore	Votorantim Industrial, Brazil
Deloitte LLP, United Kingdom	OIL & GAS
Deloitte Netherlands, Netherlands	eni SpA, Italy
Deutsche Bank, Germany	NIAEP, Russian Federation
HSBC Holdings plc, United Kingdom	Repsol SA, Spain
Itaú Unibanco, Brazil	ROSATOM, Russian Federation
PriceWaterhouseCoopers N.V., Netherlands	Rosneft, Russian Federation
Prudential Financial, Inc., United States of America	Sasol, South Africa
Stockland, Australia	SNAM SpA, Italy
Strate, South Africa	
Uralsib, Russian Federation	TECHNOLOGY
Vancity, Canada	ARM Holdings plc, United Kingdom
HEALTH CARE	Indra, Spain
Novo Nordisk, Denmark	SAP, Germany
Takeda Pharmaceutical Company Limited, Japan	TELECOMMUNICATIONS
UTILITIES	SK Telecom, South Korea
AES Brazil, Brazil	Telefónica SA, Spain
CLP Holdings Limited, China	
CPFL Energia, Brazil	
ENAGAS SA, Spain	
EnBW Energie Baden-Württemberg AG, Germany	
Enel SpA, Italy	
Eskom Holdings SOC Limited, South Africa	
Terna SpA, Italy	

Source: Author's research

Table 2 Environmental stand-alone menu

Environmental menu	%
Direct links to environmental informations	63,01369863
environmental information in sub menu	31,50684932

Source: Author's research

Table 3 The grid of the quality of the web site index

Ease of interface	Dialogic loop
Site map/web map	Opportunity for user response
Internal link	Send a page to friends
Search engine box	Message board/ceo
graphics	On-line chat room
Real streaming audio/video	Physical address
External links	Office telephone numbers
Categorized sub-menus	Cell phone numbers
Multilingual options	Facsimile numbers
Print option	E-mail address
Return visits	conservation of visitors
Bookmark now/ adauga la favorite	links to other sites
forum/blog/portal	web advertisements for the company
Q&A's	
Calendar of events	
Downloadable information	
Make this page your homepage	
newsletter/alert service	
linkuri catre retele sociale	

Source: Kim et al. (2010)

Table 4 Industrial division of the companies and their Quality Index

INDUSTRIAL DIVISION	NUMBER OF COMPANIES	QWSI %
BASIC MATERIALS	7	52
CONSUMER GOODS	7	54
CONSUMER SERVICES	2	46
FINANCIALS	19	50
INDUSTRIALS	12	49
OIL & GAS	7	59
TECHNOLOGY	3	60
UTILITIES	8	51
HEALTH CARE	2	50
TELECOMMUNICATIONS	2	52

Source: Author's research