The role of design houses in the evolution of integrated reporting

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Declaration

I hereby declare this research report to be of my own work and unaided by anyone else. It is submitted as part of the completion of the degree of Master of Commerce at the University of the Witwatersrand, Johannesburg, involving coursework and a research report. I have not submitted this report anywhere else for the purpose of being awarded a degree or for examination by another University.

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The Prophet Muhammad (Peace be upon him) is narrated to have said, he who does not thank the people is not thankful to Allah.

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List of abbreviations and acronyms

Abbreviation	Full Term
AFS	Annual Financial Statements
CSR	Corporate Social Responsibility
ESG	Environmental, Social and Governance
GRI	Global Reporting Initiative
IIRC	International Integrated Reporting Council
IR	Integrated Reporting
IRCSA	Integrated Reporting Council of South Africa
JSE	Johannesburg Securities Exchange
King III	The King Report on Corporate Governance (King)
King IV	The King Report on Corporate Governance (IODSA)

ABSTRACT

Integrated reporting matters. South African companies are at the forefront of integrated reporting (R. G. Eccles, M. P. Krzus, & C. Solano, A, 2019) due to many factors, including the role played by the governance framework King IV, the work of the Integrated Reporting Committee of South Africa (IRCSA) and South Africa's experience with different types of social and environmental reporting (Jill Atkins et al., 2020; De Villiers, Rinaldi, & Unerman, 2014). It is within this context that listed companies face isomorphic pressures in the preparation of the integrated report in search of legitimacy. In response to these external pressures, which are considered to be an external jolt, companies must respond. Their responses are driven by management's attitude to the change and result in outcomes ranging from inertia where the entity does not change to evolution where there are changes to the systems, processes and culture of the organisation. This study finds that a mechanism by which management of companies that prepare integrated reports respond to the external pressure is by using design houses. The study finds that design houses act as a vector. The design house thus enables management to continue with 'business as usual' thus becoming immune to the external jolt and resulting in very little to no change within the organisation, or the design house may play a role in facilitating evolutionary change, with a range of other outcomes in between these two points.

CHAPTER 1 - INTRODUCTION

1.1 Context

Corporate reporting has experienced significant change over the past 25 years, with the introduction of non-financial information in the form of sustainability information in the late 1990s evolving to integrated reporting in 2010. In this ever-changing milieu, South Africa is considered to be a leader in the field of corporate reporting (Schwab & Sala-i-Martin, 2014).

Due to its potential to convey messages from the management of the company to the public, companies may want to use the integrated report to differentiate themselves from their competitors (Lodhia, 2015). Some companies may adopt integrated reporting as a means to change their internal systems and facilitate the adoption of integrated thinking, which allows for making decisions on a more holistic basis (Stubbs & Higgins, 2014). For these companies, their internal and external reporting will be more closely aligned. Other companies may make superficial changes to their reporting, without commensurate changes to their internal reporting (Stubbs & Higgins, 2014). These companies prepare an integrated report as an exercise in compliance and/or marketing. The third category of companies may be unsure of what integrated reporting entails and how the integrated report should be prepared and presented. These companies may require additional assistance from external parties to meet the minimum requirements of being listed on the JSE.

Identifying an area for greater potential to serve their market, service providers help companies with the preparation of integrated reports. This study refers to these companies as 'Design Houses'. Their assistance provided in the preparation of the integrated report ranges from simply formatting the report to preparing material content. As such, these design houses have the potential to drive the evolution of integrated reporting by sharing common ideas and setting trends amongst common clients. However, the role that they play in transmitting information between companies and their ability to influence the evolution of integrated reporting has not been explored previously. This report seeks to investigate what role, if any, design houses play in the development of integrated reporting.

1.2 Significance of the study

Unlike annual financial statements that solely concentrate and report on the financial performance and position of a company, integrated reporting provides a holistic depiction of the financial and non-financial performance and prospects of a company (De Villiers, Hsiao, & Maroun, 2017). Additionally, the annual financial statements produced by a company require a high level of skill to read and comprehend. Integrated reporting aims to simplify the information that the company communicates to stakeholders so that it is easy to understand without losing the essence and value of the information.

The integrated report is an important tool in the suite of communications used by companies to convey information to stakeholders and may become the primary source of general-purpose corporate reporting (Cheng, Green, Conradie, Konishi, & Romi, 2014; Eccles & Krzus, 2010). Despite its widespread use in South Africa and globally, it is currently largely unregulated and close attention needs to be paid to understanding its development. Due to the growing significance of integrated reporting, it is important to understand the organisational structures and changes that occur within an organisation that may influence its reporting.

One of the players in the development of integrated reporting is design houses that assist companies in preparing their integrated reports. To illustrate, the websites of design houses show their involvement in the integrated reports of Sasol, Nedbank, Liberty, MTN, Standard Bank (Ince, 2022), Sun International and Naspers (Bastion, 2022). Design houses include these reports on their websites as evidence of their expertise, especially when the reports have been recognised for excellence per awards like the EY Excellence in Integrated Reporting Awards[1]. Design houses, due to the nature of the service they provide, are also likely to develop new ideas and themes for reporting to attract the attention of reporters and make their clients integrated reports stand apart from the competition. This may influence the development of integrated reporting as other companies seek to emulate these award-winning companies to enhance their standing in the

1 The purpose of awards is to encourage and benchmark standards of excellence in the quality of integrated reporting to investors and other stakeholders in South Africa’s listed company sector.

listed company environment. Design houses, therefore, have the potential to act as a catalyst for change.

Integrated reporting has been examined from different perspectives (De Villiers, Venter, & Hsiao, 2017). Some have advocated for or critiqued integrated reporting (Flower, 2015). Others have examined the quality (Haji & Anifowose, 2016; Malola & Maroun, 2019) or and value-relevance (Barth, Cahan, Chen, & Venter, 2017; Marcia, Maroun, & Callaghan, 2015) of extra-financial information included in integrated reports. Also common are normative analyses of integrated reporting (Abeysekera, 2013; De Villiers, Hsiao, et al., 2017) and examples of how integrated reporting can be adapted to different settings (Jill Atkins & Maroun, 2018).

As more data became available, more detailed quantitative studies have emerged, analysing largely the contents of integrated reports, rather than the significant role players in the production of an integrated report (Adams, Potter, Singh, & York, 2016; Jill Atkins & Maroun, 2015; Churet & Eccles, 2014; R. G. Eccles, M. P. Krzus, & C. Solano, 2019). This is, however, complemented by a large body of qualitative work which deals with the theoretical development of integrated reporting (Dumay, Bernardi, Guthrie, & Demartini, 2016). Of particular importance for this study is the academic literature examining the effect of isomorphic pressures on integrated reporting (Adams et al., 2016; Camilleri, 2018; Wild & van Staden, 2013).

There are significantly fewer studies that focus on the internal changes that must occur within the company to allow for integrated reporting to take place (Eccles & Krzus, 2010; McNally, Cerbone, & Maroun, 2017; Stubbs & Higgins, 2014). Whilst progress has been made in identifying internal challenges to the preparation of an integrated report (de Villiers, Low, & Samkin, 2014; McNally et al., 2017), the mechanism by which these changes occur, and the manner in which the isomorphic pressures are brought to life within the organisation[2] remains an unexplored area. This study considers the role that design houses play within this reporting ecosystem and considers whether they are a vector for change in integrated reporting and furthers the literature exploring the evolution of integrated reporting.

[2] in other words, the vector which transfers the isomorphic influences

1.3 Research Objective

Given the importance of integrated reporting as a holistic representation of the "organization's strategy, governance, performance and prospects (IIRC, 2021) and its ability to influence the decisions made by users of the integrated report (Barth et al., 2017), it is important to understand its development using a similarly holistic approach (de Villiers, Dumay, & Maroun, 2019). That holistic approach must consider not only the external facet, being the integrated report presented to stakeholders but also the pressures that are brought to bear on preparers of integrated reports and the inner workings of companies that allow for the preparation of the integrated report.

Investigating all facets of this evolution are beyond the scope of a single master's research report. This research has identified design houses as a potential role player in the evolution of integrated reporting because of the insight that design houses have over the inner workings that contribute to the preparation of the integrated report. The ability of design houses to influence the evolution of integrated reporting has, however, not been previously explored. To this end, the study aims to qualitatively explore a gap in the academic literature dealing with the influence exerted by design houses on the evolution of integrated reporting in South African listed companies. The study specifically focuses on investigating whether design houses influence the content of an integrated report and the organisational structures and processes within an organisation that support the preparation of an integrated report.

Stated formally, the research question is:

> **What role, if any, do design houses play in the evolution of integrated reporting of JSE-listed companies?**

1.4 Assumptions, limitations and delimitations

The study conduct a limited number of interviews, as obtaining appropriately senior personnel's time was difficult and was exacerbated by COVID-19. It was expected, at the outset that only between eight and twelve interviews would be conducted. Eleven interviews were conducted to complete the data collection as discussed in Section 3.3. The limitation of the limited sample size, which results in findings that cannot be generalised, (P. D. Leedy & Ormrod, 2015), is offset by the quality of the data obtained from the experienced reporting experts selected. This limitation is mitigated as Rowley (2012) notes that 8-12 interviews are often sufficient to reach data saturation.

It is assumed that the interviewees will be frank, honest and complete in their interview responses. This assumption is appropriate given the safeguards introduced as part of the research design. Refer to Section 3.

The study is limited to Design Houses and companies operating in the South African listed environment. As South Africa is renowned for the quality of its integrated reports (Robert G Eccles et al., 2019), this is not considered a significant delimitation.

The study will also focus on interviews with report preparers on the JSE, meaning that the results are limited to listed companies. Whilst the findings may be useful in a non-South African context, reliance on the findings for non-listed and non-South African companies that prepare integrated reports should be exercised with caution due to the delimitations of the study.

CHAPTER 2 – LITERATURE REVIEW

2.1 The evolution of integrated reporting

In a world of constrained resources, increasing competition, and greater shareholder and other stakeholder demands, questions arise about the viability of a financial reporting model that was developed in the industrial age (Sonnier, Carson, & Carson, 2007). To meet these changing needs, additional frameworks such as those by the Global Reporting Initiative (GRI) and Natural Capital Coalition were developed, that focused on environmental, social and governance disclosures. These frameworks were developed to reflect the role of companies as more than organisations accountable to shareholders, but as accountable to, and with an impact on, a wider stakeholder grouping. However, these disclosures were largely produced separately from financial disclosures and often disclosed as a separate report (De Villiers, Unerman, & Rinaldi, 2014; McNally & Maroun, 2018; Stubbs & Higgins, 2014). As a result, sustainability reports were often considered to be secondary in nature to the primary report, which was considered to be the financial statements (Gray, 2010).

Whilst sustainability reporting has not necessarily met its objectives of social and environmental change (Milne, Tregidga, & Walton, 2009), it has brought to the fore the critical relationship between “financial and non-financial performance and the extent to which financial performance imposes social or environmental externalities becomes more apparent” (Eccles & Krzus, 2010).

The accounting profession has been instrumental in arguing that a change in reporting is needed to meet changing users’ needs in assessing both the past performance and future prospects of the company (Dumay et al., 2016; Flower, 2015). As a result, the International Integrated Reporting Council (IIRC) issued the integrated reporting Framework in 2013 (IIRC, 2021). The integrated reporting framework was updated in 2021 (IIRC, 2021). It attempts to connect financial and sustainability performance in one report (Melloni, Caglio, & Perego, 2017). However, there is an added emphasis on reporting the information in an integrated manner rather than in separate silos or sections where the interdependencies are not clear to readers (IIRC, 2021; Stubbs & Higgins, 2014)

Integrated reporting is defined as:

> A process founded on integrated thinking that results in a periodic integrated report by an organization about value creation over time and related communications regarding aspects of value creation. An integrated report is a concise communication about how an organization’s strategy, governance, performance, and prospects, in the context of its external environment, lead to the creation of value over the short, medium, and long term (IIRC, 2021, pp. 7, 33).

From a South African perspective, the dawn of the new democracy in the early 1990s saw the development of a social compact that recognised the role of business in addressing the socio-economic needs of South Africans in the wake of Apartheid (Maroun & Cerbone, 2020). This resulted in the development of the King Code of Corporate Governance (King I) in 1994 and its subsequent iterations in 2002, 2009 and 2016, all of which “emphasise social and environmental governance to a greater extent than similar reports and guidelines elsewhere in the world, at the time. (De Villiers, Unerman, et al., 2014)”. (King III, 2008) introduced the concept of sustainability being “more than just reporting on sustainability. It is vital that companies focus on integrated performance. The board's role is to set the tone at the top so that the company can achieve this integrated performance (King, 2009)"

The idea of "integrated performance" was bolstered in King IV by the introduction of a definition of integrated thinking which was aligned to the IIRC Framework which defines integrated thinking as:

> "the active consideration by an organization of the relationships between its various operating and functional units and the capitals that the organization uses or affects (IIRC, 2013)".

One of the key tenets of integrated thinking is that it "leads to integrated decision making and actions that consider the creation, preservation or erosion of value over the short, medium and long term" and "takes into account the connectivity and interdependencies between the range of factors that affect an organization's ability to create value over time" (IIRC, 2013 To achieve the desired objectives and outcomes of King IV and the IIRC, an organisation must make decisions, or move towards making decisions, that consider the impact of a broader set of factors than simply financial.

The objective of integrated reporting is to encourage organisations to achieve more sustainable outcomes (Eccles & Krzus, 2010) To achieve these outcomes, companies must embrace both integrated thinking and integrated reporting. Integrated thinking requires organisations to make decisions taking into account the legitimate needs, interests and expectations of shareholders and other stakeholders (IODSA, 2016). This requires consideration of what the integrated reporting framework calls the six capitals. These capitals consist of financial, manufactured, intellectual, natural, social and relationship and natural capital. By focusing on the relationships and trade-offs between these capitals as the organisation makes decisions, the organisation is better placed to understand the impact of the organisation on a broader set of stakeholders, the interconnectivity between the capitals and necessary structural, operational and process-based changes which need to be effected to result in more sustainable outcomes (Adams et al., 2016; Eccles & Krzus, 2010; McNally et al., 2017).

Integrated reports produced in the early stages of the adoption of integrated reporting, primarily from South Africa and Australia, show evidence of an integrated report being prepared but not necessarily the integrated and interconnected thinking that the integrated report promised,(De Villiers, Rinaldi, et al., 2014; Stubbs & Higgins, 2014). One view arising from the academic literature is that the changes that have occurred in the form of integrated reporting are merely cosmetic changes that are superficial and may not represent a change in business focus towards the broader view required of integrated thinking (De Villiers, Rinaldi, et al., 2014; Stubbs & Higgins, 2014).

Accepting that the changes *within* the organisation may not be as dramatic or as significant as the changes reflected in the integrated reports, several researchers have identified that the move to integrated reporting has focused the attention of preparers of integrated reports on non-financial matters and has resulted in some level of change within organisations. Atkins and Maroun (2014) reflect that non-financial disclosures included in integrated reports are indicative of a genuine effort by reporters to inform stakeholders of relevant environmental issues and to change business practices and alter consumer behaviour. “In this context, both academic and professional reports show prolonged changes in the extent of non-financial information being reported to users and an awareness of the importance of incorporating related indicators into business models, strategic analysis and risk assessments (McNally & Maroun, 2018)”.

2.2 Regulation of integrated reporting

Integrated reporting is not yet been regulated. Although the IIRC has issued a framework, its use and adherence are left to each country, exchange and company. The global adoption of integrated reporting continues to be a priority for the IIRC (IIRC, 2018). However, in South Africa, the Johannesburg Securities Exchange (JSE) listing requirement required listed companies to apply King III and subsequently King IV.

King IV is the fourth iteration of the Corporate Governance Code in South Africa. Whilst it has no legal backing, the JSE listing requirements require that companies apply its principles or explain why they have not. (IODSA, 2016). One of the objectives of King IV is the promotion of governance as being intertwined with the running of the organisation to deliver “governance outcomes such as an ethical culture, good performance, effective control and legitimacy”(IODSA, 2016, p. 22). As it relates to integrated reporting, King IV requires companies to prepare an integrated report (IODSA, 2016). The combination of the JSE listing requirements and King IV result in South Africa being the first country to require large-scale adoption of integrated reporting (Rensburg & Botha, 2014).

However, regulators in other countries have adopted an approach that requires listed companies to prepare information, which encapsulates the information required in an integrated report. In the UK, companies are required to prepare a strategic report, which "provides shareholders with a holistic and meaningful picture of an entity's business model, strategy, development, performance, position and future prospects" (FRC, 2018, p. 3) which is very similar to the information required in an integrated report. In a similar vein, the European Union (EU) issued new guidelines in June 2019 on its Non-Financial Reporting Directive, which also emphasises the importance of reporting on more than financial results.

Additionally, companies listed on stock exchanges in Sao Paulo, Singapore, Kuala Lumpur and Copenhagen and France are faced with requirements to report or explain the governance of the organisation and the impact of their activities on the environment and society (Cheng et al., 2014). Given the increased prominence of integrated reporting in the corporate reporting landscape, it is important to understand who the role players are that have the potential to influence its future development.

2.3 Isomorphism and Isopraxism in an integrated reporting context

For entities to continue to operate and be supported by their shareholders and broader stakeholders, they must appear to be legitimate entities. Legitimacy is not a static state that, once achieved, is maintained indefinitely. Instead, entities are perpetually attempting to gain and maintain their legitimacy (DiMaggio & Powell, 1983; Suchman, 1995). One sub-set of legitimacy theory specifically deals with how entities may attempt to gain and maintain their legitimacy. This is explained by DiMaggio and Powell (1983) who demonstrate how people within organisations increasingly act in a manner that makes their organisations similar to others in the field. This process of harmonisation, or homogenisation of form, is referred to as isomorphism. Camilleri (2018) states that "isomorphic developments arise when ideas or innovations travel and are adopted in different contexts."

There are three types of isomorphism, namely, coercive, mimetic, and normative isomorphism (DiMaggio & Powell, 1983). These isomorphic processes often work concurrently, meaning that how organisations react to changes in their environment may be affected by more than one of these forces at any one time (Maroun & Van Zijl, 2016). The consequence of these isomorphic pressures is that organisations may adopt the practices and structures of other organisations to secure legitimacy (Suchman, 1995), which may result in a culture of compliance and convergence (Rodrigues & Craig, 2007). Isomorphism provides a widely used framework to understand how and why organisations conform to reporting frameworks (Carruthers, 1995).

DiMaggio and Powell (1983) reflect coercive isomorphic change as arising due to pressure on an organisation from other organisations on whom they may be dependent, their peers or from cultural expectations. Coercive isomorphic pressure results in attempts at conformity with wider and more powerful institutions. It arises due to pressures exerted on organisations because of the actions of their peers and society's expectations of them.

As an example, a company listed on the JSE may feel pressure to produce a good integrated report because their peers all produce integrated reports that are considered excellent and society place a high burden of expectation on them. In a similar vein, King IV requires entities to 'apply and explain' how the principles of King IV have been applied by the company (IODSA, 2016). In relation to integrated reporting, Principle 5 of King IV requires companies to produce a report that allows stakeholders to make an informed assessment 'of the organisation's performance, and its short, medium and long-term prospects' (IODSA, 2016, p. 48). King IV also contains recommended practices, one of which is the preparation of an integrated report. However, a company may still claim to apply King IV if it has not applied the recommended practices, as long as it can explain how it has applied the principle. Listed companies could opt not to produce an integrated report and instead explain how they had applied the principle in King IV listed above.

A review of a sample of entities on the JSE top 40 reveals that all produce an integrated report, likely because of the coercive isomorphic pressure. This is because not preparing an integrated report would risk damaging their legitimacy and would be difficult to justify to stakeholders, which is an indicator of coercive isomorphism (Maroun & Van Zijl, 2016).

Mimetic isomorphism refers to the tendency of organisations to mimic the structure of other organisations because these mimicked organisations are perceived to be legitimate or leaders in the field, and following these organisations is considered a way to enhance their legitimacy (DiMaggio & Powell, 1983; Suchman, 1995). In the context of integrated reporting, the preparation of integrated reports by the largest companies on the JSE influences all other companies to also prepare integrated reports. As the quality of these reports improves, so too does the pressure on all other preparers to maintain the momentum of developments in the reporting in order not to be ‘left behind’.

Lastly, normative isomorphism reflects attempts by organisations to pursue ‘professionalization, thereby linking their activities to external definitions of authority and competence’ (Suchman, 1995). Organisations are presented to stakeholders and operate in a manner that reflects best practices and industry norms (DiMaggio & Powell, 1983). This is reflected in the field of integrated reporting by the expectation to adhere to the framework produced by the IIRC for the preparation of an integrated report, the impact of the JSE listing requirements and the requirements of King IV. They do so to signal their technical soundness, reputation and compliance (Carruthers, 1995).

Linked to the discussion above is the concept of isopraxism, which “refers to ideas that are translated by different actors to suit their own needs” (Camilleri, 2018), or homogeneity of practices (Adams et al., 2016). “The key difference between isomorphism and isopraxism lies in the assumptions made about how ideas and innovations travel (Adams et al., 2016)”. In the case of isomorphism, ideas and innovations travel with little or no reinvention whilst in the case of isopraxism the ideas or innovations are modified.

2.4 Drivers of organisational change

Laughlin investigated the changes that may occur within an organisation to external shocks or jolts (Laughlin, 1991). In his view, organisations consist of three components as described in table 1 below.

Table 1 – Components of an organisation

Component	**Tangible/Intangible**	**Description**
Interpretive schemes	Intangible	Beliefs, values, norms, and mission/purpose, related to the culture of the organisation.
Design archetypes	Tangible	Structure, processes and systems
Tangible sub systems	Tangible	Buildings, behaviour, people, machines, finance

An external shock to the system may result in either first-order change (morphostasis) or second-order change (morphogenesis). Morphostasis results in changes to the tangible components, viz. design archetypes and sub-systems, which is a transitory change, whilst morphogenesis results in changes to both the tangible components and intangible components being the interpretive schemes and is transformative in nature (Stubbs & Higgins, 2014).

Laughlin (1991) identified four pathways for change, which are summarised in Table 2. The first two pathways are first-order changes, being rebuttal and reorientation. The reorientation pathway sees small changes to systems without a corresponding change in DNA, whilst the rebuttal pathway results in even less change, with change being limited to temporary changes in systems combined with stiff resistance. The second two pathways are second-order changes, being colonisation and evolution. Both these pathways result in changes to both the tangible and intangible components, with changes in the DNA of the organisation. However, with evolution, the changes are accepted by the whole organisation, whilst a small group forces the change in colonisation.

Table 2 – Summary of change pathways		
State	**Description**	**Type of change**
Inertia	Do not respond to environmental issues	None
Rebuttal	Pressure to change is resisted. May result in minor temporary changes to systems	First order – changes to structure, processes, systems
Reorientation	Small changes to systems, but no change to underlying DNA.	First order (transition)
Colonisation	Substantive change is forced upon an organisation's systems, driven by a small group, leading to change in the underlying DNA.	Second order – changes to beliefs, values, norms, as well as to systems (Laughlin, 1991)(revolution, transformation) first order
Evolution	Major changes to DNA and systems accepted by the whole organisation	Second order (Laughlin, 1991)(transformation)

(Stubbs & Higgins, 2014)

The environmental or external jolt experienced by organisations in the South African context is the adoption of integrated reporting on a large scale by listed companies and the isomorphic pressures exerted upon these companies as a result thereof.

It appears that isomorphism and isopraxism, together with the organisational theory discussed above, play a role in, and provide a theoretical framework through which to view the role that design houses play in the evolution and development of integrated reporting. Due to the close connection design houses have with many preparers of integrated reports and their broader exposure to developments in the markets, these design houses have the potential to act as a force that allows the entity to rebut the environmental jolt and continue business as usual, or to act as a lever to changes within the company.

2.5 Role players in the evolution of integrated reporting

The development of the integrated reporting framework is distinct from its application. The integrated reporting framework requires preparers to interpret and operationalise it and users to assess whether it conveys the necessary information to enhance decision-making. The interplay between the needs of users and the information available within the company forms an iterative loop that leads to improvements in integrated reporting. From a governance perspective, whilst the governing body ultimately takes responsibility for and approves the integrated report (IIRC, 2021; IODSA, 2016), it is people in the structures below the governing body that prepare or commission the preparation of the integrated report.

The people responsible for the preparation of the integrated report within an organisation may not necessarily have the relevant skills and expertise to prepare it. To meet the demand for these skills, companies will often use external consultants from design houses. These design consultants assist companies with the design and preparation of their integrated reports. Pre-integrated reporting, these entities specialised in designing and writing copy for the front end of the annual report, which discussed the non-financial information, separately from the annual financial statements required by IFRS. Post the launch of integrated reporting, the larger design agencies provide many services ranging from simple design and graphics to data collection, research and copywriting, which incorporates bringing best practices to their clients for implementation in their integrated reports.

Despite the growth in these agencies, academic literature does not feature the role of players other than preparers of reports within the company, with the assumption that the report is prepared by the entity. As a result, numerous studies refer to staff and management within reporters as a homogenous group that prepares the integrated report without a thought to external influences and parties that may introduce outside influences that may have an impact on the integrated reports prepared by companies. This research aims to address the gap in the literature in this regard.

2.6 Analysis of design houses

Integrated report design houses vary in the breadth of services offered. A review of the websites of a random sample of design houses indicates varying levels of maturity. This ranges from providing traditional services of design to advanced content creation for integrated reports. Those at the beginning of the journey offer services related to the design of the integrated report and associated graphics. Their website indicates that the basic requirement is that the entity requiring the report must provide the text and content that must be produced into a report. The clientele displayed on their website includes mostly larger private companies and government departments, based on the reports showcased on their websites.

On the other end of the pendulum rest design agencies, which, based on the services listed on their websites, are much more expansive in the breadth of services offered. Based on the work showcased on their websites, these design houses appear to assist many of the JSE-listed companies. These design agencies' websites indicate that they provide services ranging from basic design to what is called advisory services, which include suggestions for improvements in the integrated report, the sharing of best practices, and writing the content of the report (Greymatterfinch, 2022). There are unanswered questions about the role these design houses play in determining the direction and output of the integrated report and the associated changes in integrated thinking.

Some of these design agencies submit their clients' reports which they have prepared for annual reporting awards, like the annual report awards hosted by the JSE and Chartered Governance Institute of South Africa. In response to their client being listed as the best integrated report in the EY “Excellence in Integrated Reporting” awards for 2020, a director of the design house that worked on the integrated report congratulated their client on social media. This potentially reflects the pride that the design house has in the way in which they have assisted the company in the preparation of the integrated report and the influence they have exerted over the report.

Lastly, the design agencies are sponsors of the Integrated Reporting Council of South Africa (IRCSA) and design houses were three of the five sponsors of the IRCSA annual conference in

2021 (IIRCSA, 2021). Based on the above, design agencies actively participate in integrated reporting-related activities. An area that requires further exploration is the extent to which these design houses influence the integrated reports of companies. Unpacking this requires an exploration of whether the assistance they provide is in the form of simply enhancing the text already provided by the company, assisting companies in understanding what information needs to be collected for reporting, or adding additional public relations spin into the report to enhance the corporate image.

The above does not suggest that design houses have a negative influence on the development of integrated reporting. On the contrary, their suggestions may result in better-integrated reports, which may lead to better internal reporting by companies.

Table 3 – Level of maturity of design houses

	Level of maturity	
	High	**Medium / Low**
Types of services	End-to-end integrated reporting services, including an integrated reporting advisory function, content writers and design capabilities.	Design of integrated report and graphics.
Clientele	Mostly listed companies	Larger private companies and government departments.
Involvement in broader integrated reporting activities	Yes	No

The academic literature indicates that there are a number of possible forces at play in determining the approach to integrated reporting that management of a company may adopt. The first of these are the isomorphic pressures that appear to be exerted upon companies. The second is organisational design and the third are the four pathways of change explored by Laughlin (1991). The interview agenda for respondents cover these concepts in a number of ways.

CHAPTER THREE - METHODOLOGY

3.1 Justification for pursuing a qualitative methodology

The majority of the research conducted on integrated reports has been quantitative, analysing the contents of integrated reports. Examples include the extent of the increase in reporting of ESG information post the release of the IIRC framework (Raemaekers, Maroun, & Padia, 2016), and the quality of disclosures (Melloni et al., 2017). To understand the impact of design houses on integrated reporting, this study required an understanding of the social and interpersonal nature of the relationship between design houses and preparers of the integrated report within companies (Creswell & Creswell, 2017; Holland, 1998; Parker, Guthrie, & Linacre, 2011). Additionally, the study was exploratory and, as such, was best suited to a qualitative research methodology. (Creswell & Creswell, 2017; Parker et al., 2011). As a result, a qualitative approach was adopted due to its ability to extract more detailed and nuanced responses from the participants (Broadbent & Unerman, 2011; Maroun & Atkins, 2014).

3.2 Detailed interviews

Given the nature and objectives of the qualitative research discussed in Section 3.1, the use of detailed, semi-structured interviews was considered most appropriate (de Villiers et al., 2019). As this is an exploratory study, interviews were considered the most appropriate form of data collection because they allow for the ability to gather and extract rich detail (Rowley, 2012). The use of semi-structured open-ended interviews allows interviewees to fully express their views on the role that design houses play in the development of integrated reporting (Alvesson, 2003) and to share knowledge and experiences that the interviewer may not already be familiar with or aware of (Alvesson, 2003; Creswell & Creswell, 2017; Rowley, 2012).

The external validity of the study may be reduced because a smaller sample size of participants was selected (Leedy & Ormrod, 2015). This was considered to be acceptable and appropriate given that the research aimed to develop a new model rather than test an existing model (Leedy & Ormrod, 2015). The smaller number of participants allowed for the exploration of issues in greater depth than would be the case with a larger sample size (Rowley, 2012). Additionally, the population of design houses that prepare integrated reports for South African companies is not very big.

3.3 Selection of interview participants

Participants were purposively selected from one of three categories, namely persons responsible for the preparation of integrated reports of companies listed on the JSE, from the design houses that assist companies listed on the JSE to prepare their integrated reports, and lastly, from academics who conduct research into integrated reporting. Purposive sampling was used to have the best probability of obtaining useful insights into the role design houses play in integrated reporting (Creswell & Creswell, 2017; Rowley, 2012). The sample of report preparers was only drawn from companies listed on the JSE as these represent the primary preparers of integrated reports and represent the greatest exposure to the public. Participants from the report preparer category were selected from different industries, whilst respondents from design houses companies were selected from different design houses. This was done to reduce the risk of bias arising from a specific company or industry grouping (Rowley, 2012).

The interviews aimed to obtain perspectives from internal preparers to understand what, if any, they perceive the influence of design houses to be. From the perspective of interviews with design houses, the objective was to understand the role they perceive themselves to play in the development of integrated reporting. The perspectives of each of these populations corroborate or reject the view obtained from others. Table 4 details the respondent group, the description of the population and why the respondent group was included in the study.

Table 4 – Selection of respondents			
Respondent Group	**Population description**	**Reason for inclusion**	**Number of participants**
Design house Preparer	Persons who work for design houses who assist companies listed on the JSE in the preparation of their integrated reports	This population has the potential to influence the content and structure of the integrated report due to their interaction with report preparers, their broad understanding of what other companies are reporting on and the perception that they are at the forefront of integrated reporting.	5
Internal preparer	Persons within a company listed on the JSE who are involved in the preparation of the integrated report.	This population will explain the role that design houses play, if any, in the content of their integrated reports, based on their interactions with this population.	5
Academics	Persons involved with research in integrated reporting.	Familiarity with the contents of integrated reports and research on influences surrounding the	1

		adoption of integrated reporting.	

Respondents were selected based on practical experience in the preparation of an integrated report because of the need to understand the inner workings of the preparation of a report due to the objectives of the study. The interviewees were specifically selected for their depth of experience, to ensure the quality of the data obtained and its relevance to the research objective (O'Dwyer, Owen, & Unerman, 2011).

The inclusion of only respondents who had practical experience in the preparation of an integrated report increases the quality of the research as it reduces the risk of uninformed responses (Creswell, 2013). However, the selective nature of the sample selected also increases the risk of bias in the study because does not allow for the voicing of opinions from those not practically involved in the preparation of an integrated report (Creswell & Creswell, 2017). The inclusion of respondents not directly involved in the preparation of an integrated report would have been inappropriate given the exploratory nature of the study (Creswell, 2012). Table 2 reflects the respondents and their coding within the study. In summary, five preparers of integrated reports, five representatives of design houses and one academic were interviewed.

Table 5: List of respondents

Respondent	Categorisation	Duration of interview
R1	An integrated reporting advisor from a design house due to experience in assisting JSE Listed companies to prepare integrated reports.	90 minutes
R2	An integrated reporting advisor due to experience in assisting JSE Listed companies to prepare integrated reports. The respondent also plays other roles within the integrated reporting space.	65 minutes
R3	An integrated reporting advisor from a design house due to experience in assisting JSE Listed companies to prepare integrated reports.	60 minutes
R4	A preparer of integrated reports who is responsible for the preparation of the integrated report of a company listed on the JSE.	70 minutes

Table 5: List of respondents		
Respondent	**Categorisation**	**Duration of interview**
R5	A preparer of integrated reports who is responsible for the preparation of the integrated report of a company listed on the JSE.	80 minutes
R6	An integrated reporting advisor due to experience in assisting JSE Listed companies to prepare integrated reports. The respondent also plays other roles within the integrated reporting space.	70 minutes
R7	An integrated reporting advisor from a design house due to experience in assisting JSE Listed companies to prepare integrated reports.	90 minutes
R8	An academic due to wide experience in academia, and considered a key researcher in the field of integrated reporting.	80 minutes
R9	A preparer of integrated reports who, at two different JSE Listed companies was involved in the preparation of the integrated report.	65 minutes
R10	A preparer of integrated reports who is responsible for the preparation of the integrated report of a company listed on the JSE.	70 minutes
R11	A preparer of integrated reports who is responsible for the preparation of the integrated report of a company listed on the JSE and has been a key figure in the integrated reporting landscape in South Africa.	70 minutes

3.4 Data Collection

Respondents were identified using existing networks and contacted telephonically or via email, inviting them to participate in the interviews. Ethics clearance was obtained from the University of the Witwatersrand before any interviews were held (Appendix 1). A convenient date, time, and location was arranged with the respondents. All respondents were provided with an information sheet detailing the background of the study, ethics clearance, and the interview agenda before the interview to gain an understanding of the topic and purpose of the study (O'Dwyer et al., 2011). Participants were not provided with detailed interview questions to prevent rehearsed responses (Qu & Dumay, 2011). All interviews were conducted virtually using MS Teams due to the restrictions introduced to curb the Covid 19 pandemic.

Respondents were asked to sign and return the consent form before the interview commenced. The researcher assured every interviewee of their confidentiality and their right to withdraw from the interview at any time (Creswell & Creswell, 2017; Rowley, 2012), as well as informed interviewees of the opportunity to review the transcript for accuracy and completeness (Al-Yateem, 2012; Alvesson, 2003). The researcher also enquired whether the respondent agreed to the interviews being recorded. The quality of information gathered from interviews is enhanced by the use of recorded interviews as the researcher is able to focus on non-verbal cues and the core of what respondents are saying (Maroun, 2017). Non verbal cues identified during the interview were confirmed by the researcher clarifying the non verbal cue identified with the respondent in order to mitigate against non-verbal cues that may have arisen due to technological issues like delays in the line speed.

Interviews did not necessarily follow a set order given the exploratory nature of the research objective. The interviewer allowed interviewees to continue with their train of thought and expand on their responses to the agenda questions, whilst keeping the research objective at hand and using the agenda as a guide to achieving the objectives of the interview (Gendron, 2009). Using the agenda as a guide allowed for all relevant themes to be discussed in all interviews, even though the order followed may have been different.

The respondents were asked broad and open-ended questions related to integrated reporting, their role in integrated reporting and their perspectives on the role of design houses. The questions posed were deliberately broad and non-leading due to the exploratory nature of the study and in order to increase the possibility of a large number of themes arising (adapted from Louw (2015) and O'Dwyer et al. (2011)).

Eleven interviews were conducted between December 2020 and June 2022. Each interview lasted between 60 and 90 minutes and was conducted via a virtual meeting to allow respondents sufficient time to explore the research objective and discuss the matters on the interview agenda (Rowley, 2012). All interviews were semi-structured, allowing for respondents to explore relevant themes which may have been considered in a structured interview, yet allowing for a degree of comparability (Rowley, 2012).

Having obtained the respondent's permission to record the interviews, these were transcribed post the interview. The researcher also took detailed notes, together with notes on non-verbal communication (Al-Yateem, 2012; Alvesson, 2003; Creswell & Creswell, 2017; Rowley, 2012). All data, whether recordings or transcripts, were secured on a password-protected computer and a password-protected cloud-based drive. Only the researcher and supervisors had access to this drive.

3.5 Data Analysis

Transcription and analysis of data from interviews were performed as the interviews were conducted. The researcher reviewed the transcripts from each interview and began open coding on a line-by-line basis to identify themes and categories. The codes were based on the text in the transcript rather than being based on the relevant theories so that the researcher remained open to new concepts brought to the fore by respondents. Open codes were refined as further interviews and coding was completed, resulting in the coding of the transcripts being an iterative process (Strauss & Corbin, 2008). Previously coded transcripts were reanalysed to allow the researcher to cross-reference responses, review existing codes and introduce new codes (Leedy & Ormrod, 2015). Examples of these codes include the benefits of Integrated Reporting, whether senior management was actively involved in the oversight of reporting, standardisation of integrated reporting processes and the role of reporting awards.

The researcher noted that saturation had been reached after the ninth interview. The ninth respondent was a preparer of integrated reports who confirmed the views articulated by other preparers, the academic and the respondents from design houses. The remaining interviews with respondents did not provide significant additional insight and information, leading to the conclusion that data saturation had been reached. This does not necessarily mean that consensus of views, opinions and thoughts was reached. However, it does acknowledge that qualitative research, whilst being iterative, employs a level of pragmatism that acknowledges that unexplored avenues may remain (O'Dwyer et al., 2011; Van Zijl, 2014).

Once all the interviews were completed, the interviewer re-read all transcripts to re-assess information that may not have been considered in the initial reading and that has become known because of later interviews (O'Dwyer et al., 2011; Rowley, 2012). The analysis employed an inductive thematic approach (Strauss & Corbin, 1990; Vollstedt & Rezat, 2019). The analysis utilised open, axial, and selective coding (Strauss & Corbin, 2008).

Once all interviews and open coding on all interviews were completed, the researcher analysed the relationships and links between the open codes using axial codes (Creswell & Creswell, 2017). These relationships formed the basis for the creation of categories of information that were further expanded or collapsed as deemed necessary, providing a mapping of categories and themes from which selective coding was performed (Strauss & Corbin, 2008).

Selective coding was used to arrange information around the core theme of the role design houses play in the development of integrated reporting. The results of the above produced the findings relevant to the research objective.

3.6 Validity and reliability

The limitations inherent in this study were discussed in Section 1.5. To mitigate those risks identified, the following safeguards were put in place to reduce the effect of researcher bias and to increase the validity of respondent answers.

A pilot interview was conducted in December 2020 together with the senior researcher to assess whether the interview agenda questions were open to misinterpretation and confusion, and allow the researcher to modify these in advance of the formal interviews (Gendron, 2009; Rowley, 2012).

Given the confidential nature of the discussions and the objective of exploring respondent experiences in the preparation of integrated reports, respondents needed to be assured that their anonymity was guaranteed so that they would provide a complete and true account of their experiences. The ethical standards applied were of fundamental importance. Respondents were informed of the confidentiality of their responses pre the interview (Creswell & Creswell, 2017;

Rowley, 2012). Ethical clearance was obtained from the University of the Witwatersrand before any interviews were conducted to ensure that appropriate ethical protocols were to be followed and that the research did not pose an ethical risk to either the interviewer, interviewee, or any other party (Piper & Simons, 2005). Additionally, respondents were afforded the opportunity to withdraw from the study as well as withdraw any data/information already provided up until it was transcribed for use in the final report (Al-Yateem, 2012; Clifford & Maisto, 2000; Creswell & Creswell, 2017).

Respondents were not provided with detailed interview questions to prevent rehearsed responses (Qu & Dumay, 2011). Respondents were offered an opportunity to review the transcript to prevent mistranslations of responses (Leedy & Ormrod, 2015). The researcher's supervisor and researcher held debriefing sessions after every interview to discuss key takeaways and compare and contrast responses between respondents. The researcher and research supervisor discussed transcripts and coding outcomes to prevent incorrect coding of themes identified in interviews (Leedy & Ormrod, 2015). Open codes were refined as further interviews and coding was completed, resulting in the coding of the transcripts being an iterative process (Strauss & Corbin, 2008). Previously coded transcripts were reanalysed to allow the researcher to cross-reference responses, review existing codes and introduce new codes (Leedy & Ormrod, 2015). Interview transcripts were re-read and recordings viewed for a second time to confirm initial assessments.

CHAPTER FOUR – INVESTIGATION INTO THE ROLE OF DESIGN HOUSES

4.1 On the relevance and development of integrated reporting

Section 2 points to the notion that integrated reporting adds value or is, at least, perceived to add value (Martinez, 2016). This is confirmed by the relevant academic research, developments by regulators like the JSE issuing new guidelines for ESG reporting and the development of reporting standards by the European Union in the form of the proposed ESS. Added to this is the perception of integrated reporting being important in the eyes of investors (Martinez, 2016). It either adds value internally to the company, resulting in better linkages within the company, a lower cost of capital, forecast accuracy, changes in volatility and risk measures and accuracy with which changes can be predicted (R8) or is perceived to add value by investors, who are the key audience for an integrated report (IIRC, 2021).

There is an acknowledgement that annual reporting has developed from the presentation of financial statements with limited explanatory text, to

> “what’s happening now in terms of sustainability, reporting, ESG reporting. I mean the whole thing is just exploded over the last nine years. And it’s been interesting to see actually see this evolution of what was really, just a regulatory document now becoming almost like a marketing document (R3)”.

This has resulted in the team responsible for the preparation of the integrated report moving from the marketing department to a separate integrated reporting team or being included within the finance function (R3, R4, R5, R6, R9 and R11). Part of the approach from the design houses includes trying to sell report preparers

> “new ways to present it (the integrated report). Like little, something we implemented last year was a 30-second video and that sort of thing. Video clips, photos. Last year they, not last year, the year before they went to our different offices . . . and did photos of the group, our products and stuff like that, just as part of their presentation. That's the kind of extra services that they sell us rather than content for the report” (R4).

Given the energy and time required to produce an integrated report, report preparers and design houses are considering ways to improve the longevity of the information produced so that it is used over a period of a year rather than just at the point the report is produced (R3). The focus, therefore, moves to or has become one of considering

> “ what part of this content can be used to sustain the interest throughout the year before we get to get to interims. So we'll start pulling out things like, what part of the sustainability has really great stories that people need to know. So we'll pull out, let's say five different stories that we can run for the next six months. . . . Obviously it's marketing, so we're not just creating stuff, we're actually [taking] proper information from the report” (R3).

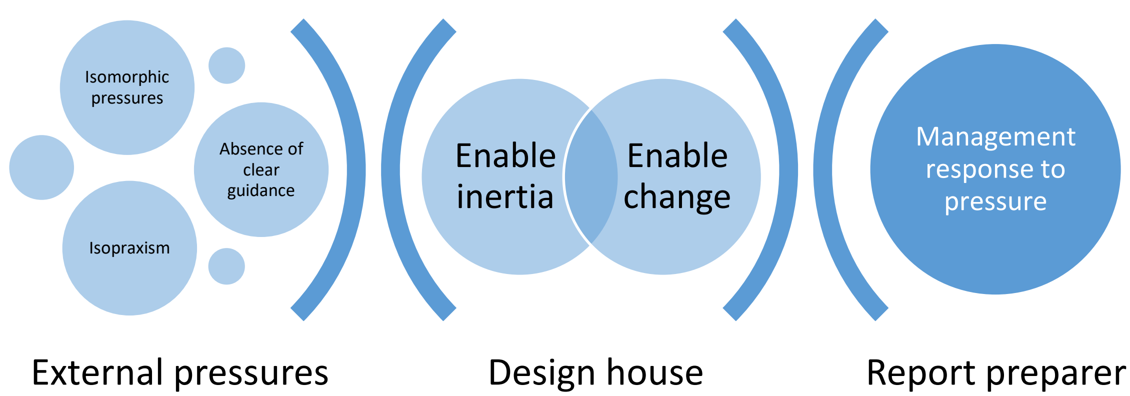
The ability to maximise the value of the information obtained has been the brain child of the design houses rather than the reporters. R3 describes the business as having a model that

> "takes this push reporting and social media and you know, platform, business, and how do we take regulatory beyond what the JSE listed companies are required to do."

It is clear from the above that the design houses have identified a way of creating additional value out of the content created by the company in the production of the integrated report. The ability to use the information for additional uses is an additional benefit of integrated reporting that companies can leverage on and design houses can use as a selling point for their services.

Having understood that integrated reporting is perceived to be important in that it adds value to both report preparers and other stakeholders and that it has developed over time, we now explore the external pressures faced by companies to prepare an integrated report in Section 4.2, how report preparers react to this external pressure in Section 4.3 and the role played by design houses as an enabler of change or inertia, as well as other roles, in Section 4.4, as depicted in Figure 1 below.

Figure 1 – Relationship between External pressure, the Report preparer and the design house



4.2 Pressures exerted on a company to prepare an integrated report

Consistent with DiMaggio and Powell's (1983) model, the detailed interviews revealed sources of isomorphic pressures which influence the preparation of integrated reports (Section 4.2.1). Isopraxism is a related consideration (Section 4.2.2) which adds to the external pressure exerted upon a company, as is the absence of clear guidance for report preparers (Section 4.2.3), which adds to the level of uncertainty and thus pressure.

4.2.1 Companies face isomorphic pressures in preparing an integrated report

Report preparers are under pressure to produce integrated reports due to mimetic, normative or coercive isomorphic pressures. This study has grouped the isomorphic pressures together, for the purposes of the findings, given that the subject matter has been covered in the literature review above and they achieve the effect of creating an external force that challenges and pressures the company (R1, R3, R5, R6, R8, R11).

Respondents from design houses (R1, R3, R7) confirmed that they have been approached to prepare reports that looked like reports issued by other 'best in class' companies.

> "So there are, so for example, I think that working on the *name of company omitted* reports and seeing it do well became a bit of a pain in a lot of ways because then companies who have none of the aspirations to be integrated, come to you and say we want a *name of company omitted* report. (R1)

And

> But what's interesting enough is before, right from the beginning of the kick-off meetings, the clients actually come to us, and they say *name of company omitted* has done this. They've won awards. I really love their business model and they say how can you, how can you make our business model sort of on par with it with this? (R3)

This is confirmed by report preparers (R5, R11, and R10) and is well captured in the extract below, which refers to the use of design houses and whether the level of effort exerted would change if the company were not listed on the JSE.

> "And maybe if we're not even listed on the JSE it would work. I think if we're not listed on the JSE, we would do it ourselves. And then, because we are listed and the competition is high there, when we want to be part of those people that are doing well, we prefer the external guys". (R5)

Integrated reporting encompasses reporting on changes in the external environment, has no defined reporting standards apart from a broad framework and is not always presented in the same way year on year because it tells the story of the company's performance over the year and how it has created value (IIRC, 2021). This results in integrated reporting for any company being in a state of flux. The changes in reporting are also influenced by shareholders becoming more informed and expecting reports to look a certain way (R4, R11). These constant changes create their own isomorphic pressures as explained by R1 and R5 resulting in companies who prepare integrated reports being expected to present certain information in a certain way as a result of other companies preparing that information (R1).

> "Yeah, so I think their role in helping us get there is that each year we look where we can improve our report because I think also staying out of the IR, is that other companies are also improving their reports. Not necessarily that your report is bad or anything it's just that other companies are looking at improving their reports" (R5).

Pressure is often created directly by those responsible for governance, which sets the tone at the top (R1, R4, R8, R10, R11). Interestingly, R1 and R4 are also of the view that the board of directors see the preparation of an integrated report that conforms to other companies as a form of validation.

> "I think the board because they sit on different companies' boards. They know the importance of these things . . . with the board they're very interested in such things and they pay more attention. I think for the board members it is a great achievement for us and they would like us to stay there. (R5)

In summary, the interviews confirmed that isomorphic pressures play a significant role in the evolution of integrated reporting. For the purposes of this study, the effect of these isomorphic forces is considered to be the external jolt referred to in the academic literature relating to organisational change that has the potential to result in changes within the organisation.

4.2.2 Isopraxism in an integrated reporting context

Whilst isomorphism refers broadly to the similarity of form, isopraxism refers to the homogeneity of practices. In the case of isomorphism, ideas and innovations travel with little or no re-invention whilst in the case of isopraxism the ideas or innovations are modified as they travel (see Section 2.3). This was confirmed by respondents. For example:

> "So when you are looking at examples you can never have them exactly the same because the organisations are very different. So you're taking the idea and using it as food for thought to inspire what you actually have. So when you combine the idea with what you actually have, it transforms into something new. So the ideal is always to have something a little bit different based on the intricacies of the organisation you're working with". (R1)

Per Section 4.2.1, companies are under pressure to and do prepare reports that are similar to those of their peers. However, integrated reports are, usually, produced based on the information that exists within the company, with the integrated report prepared on the basis of integrated thinking (IIRC, 2021). To produce this information, a company is required to have systems and processes in place. The external and internal reporting and related processes that support this must in turn be supported by the activities of the organisation and are driven by its culture and how decisions are made (IIRC, 2021; McNally & Maroun, 2018).

Respondents indicated that, for those companies for whom integrated reporting was a reflection of the inner workings of the organisation, changes were required to the internal systems and processes required to prepare an integrated report (R1, R4, and R10). For these companies to produce integrated reports that were similar to their peers, the companies needed to create the internal systems necessary for the data to be produced (McNally & Maroun, 2018). This is isopraxism as the practices adopted became similar. For example, R1 describes a situation where a report preparer wanted to prepare an integrated report such that it provided specific disclosures contained by another preparer. To do so, it took the report preparer a few years to develop the new systems to obtain the data, with the design house providing initial insight into the systems required.

Whilst the ability to prepare an integrated report resembling a company's peers could be an exercise in cosmetics, the change in practices, systems and processes requires deeper insight. Respondents indicated that design houses play a role in this area (R1, R8, and R10). As an example, R10 described his previous experience as having worked with a design house and his exposure to the systems that generated the information required to prepare an integrated report for many clients. He was subsequently employed by a report preparer due to him having "the qualification, but they wanted the background work which we do sufficiently in terms of gathering the data" (R10).

4.2.3 Absence of clear guidance in preparing an integrated report

The foundation of financial reporting standards is the existence of a reporting framework which is supported by detailed standards that determine the measurement and disclosure of transactions and events (Hellman, Carenys, & Moya Gutierrez, 2018). The integrated reporting landscape is characterised by a reporting framework, which sets out in broad terms the objectives and core disclosures and thinking required. Integrated reporting is not, as yet, supported by detailed standards as is the case in financial reporting (Abeysekera, 2013). The absence of standards, therefore, increases the uncertainty associated with reporting. It places the onus on the company to develop appropriate reporting. The assessment of what is appropriate is determined, to a large extent, by what others are doing. This intensifies the isomorphic pressures upon the company, resulting in an even greater need to mimic others.

4.3 Report preparer responses to external pressures

The response by the company preparing the integrated report to the pressures discussed in Sections 4.21. to 4.2.3 above is driven by the availability of skills within the organisation and how those responsible for decision-making within the entity react to the need for change (McNally et al., 2017). This section begins by exploring, in Section 4.3.1, where within the organisation responsibility for the integrity and authenticity of the integrated report lies. This is followed by a discussion of how senior management within the organisation responds to the external pressures discussed in Sections 4.2.1 to 4.2.3 above. Respondents indicated that management adopts one of three approaches as follows:

1. Companies that view the preparation of the integrated report as a burden and do not see the need for internal change. (Section 4.3.2);
2. Companies that view the preparation of the report as value-adding (section 4.3.3) and
3. Companies that are less interested in integrated reporting or unaware of its potential impact (Section 4.3.4).

4.3.1 Responsibility for determining the direction of the integrated report, its authenticity and integrity

The IR Framework states that:

> "an integrated report should include a statement from those charged with governance that includes: An acknowledgement of their responsibility to ensure the integrity of the integrated report. Their opinion or conclusion about whether, or the extent to which, the integrated report is presented in accordance with the <IR> Framework."

The approval of the integrated report and the related processes that lead to the approval of the report are therefore determined by the company, not by the design house (R4, R9, and R11). The design house must simply be an agent of the company, with specialist skills, engaged to perform a specific task. Respondent 4 discusses the manner of engagement between the design house and report preparers as being one where the management team approve any changes and will only accept suggestions that are consistent with the board approach. This approval of the integrated report is reflected by the following statement from R4:

> "a majority of our board have financial backgrounds and they like things to be very concise. And we found that when we've outsourced certain things, they find that the language is a little too flowery and descriptive, and it's not something that a JSE board approves of, so we have had a year where we've had to completely rewrite the report."

The role of the chair, the board, the CEO and the executive committee is highlighted by respondents as being particularly important (R1, R2, R3, R4, R5). R2 explains how

> “there's one Chairman I know where he sits down with the team - goes through it now. After our webinar – when was it - two days ago. Apparently, you know the team met afterwards with the Chairman and discussed the new changes to the framework. I mean, that's a small company, yeah, so commitment.”

Respondent 4 also discussed how the introduction of new board members resulted in new information being reported and new avenues of reporting, like corporate social reporting, being further enhanced, together with further possible pressure to do well in integrated reporting awards.

Not only must the senior leadership be aware of the integrated report, they “drive their organisation in that direction” (R1) to ensure its adoption within the organisation, “but when you don't have that buy-in there, the two go in two different directions and I think it becomes very obvious in the reports.”(R1) Respondent1 explains that

> “the biggest disconnect in those instances is that you might have a team who's working on your integrated reports, but you don't have the executive and board buy-in because then the integrated report is going in one direction without the support of this changing the organisation to match it”

The ability of the consultant to influence the organisation relies not only on the willingness of senior leadership to engage in discussion but also on the ability and skill of the consultant and the opportunity provided to the consultant to enter into discussions with the leadership of the report preparer.

> “So I think that you know, you can't influence the direction if you're not in those conversations” (R1).

R1 illustrates how this influence reflects in reality as follows:

> “But I have, on the other hand, seen instances where we work with clients where we are in contact with the executives and in that first year of - even if it's - even if the conversations

> are just around the review of the documents and the leadership reviews. But you've explained the reason for why you evolved something in a certain way. I've seen engagement grow in that way over years. So I wouldn't say that they started off with an integrated mind-set, but they then maybe weren't aware as a - of the framework and the thinking behind certain things. So I think it's a difference between – a - I really don't care, just get it done or a - I'm unaware, but I'm excited to learn. So that I'm unaware and I'm excited to learn, I've seen a lot of progression in that relationship over time, but that - I don't care, and the executive team is not involved in the IR at all except to, you know, make sure that their picture looks nice next to their review, I think those ones I've not seen. I haven't got an example where I've seen there be progression overtime"

The responsibility for the integrated report therefore ultimately rests with those charged with governance (IIRC, 2021). However, design houses have the opportunity to influence the direction of integrated thinking and reporting when those charged with governance are open to suggestions and new ideas. Three approaches adopted by companies to integrated reporting are discussed further below in sections 4.3.2 to 4.3.4. How design houses apply their influence is discussed further in Section 4.4.

4.3.2 Companies that view the preparation of the integrated report as a legislative burden.

The JSE listing requirements (JSE, 2019) require entities to adopt King IV as the governance code within the organisation. King IV adopts an apply and explain approach, which assumes that entities have applied the principles contained within it, with the result that all that is required is that the entity must explain how it has applied the principles (IODSA, 2016). The population for this study are listed companies, which are required to adhere to the listings requirements. The preparation of an integrated report is perceived to be a legislative requirement for many of these companies.

These companies are further split into those that want to portray a good image of integrated reporting to the market and those that do not.

For these companies, Integrated reporting is a legislative requirement and is considered to add no value to their business, and is "really just a compliance, tick the box exercise" (R1). The result is that “some of them, some clients actually just basically hand it out, so they outsource it totally, which is not the ideal thing at all” (R2).

The companies adhere to the minimum requirements as explained by one respondent:

> “Yeah, they see it as a - like insurance. So I mean, I suppose that’s, you know, something that you've got to do, and you know if they want to be part of the JSE, then until those sort of regulations change, they're gonna do the bare minimum. And it's amazing that. I mean, we've got, we’ve got the *name of company* Group. They just do the bare minimum. I mean, you would think that they would be at the forefront. I mean they’re into *nature of business not disclosed* and you know they’re really at the forefront of technology and in allowing people to *nature of business not disclosed*, you'd think that they would be interested. They want to make this thing black and white. Do the bare minimum and that's it (R3).”
>
> And
>
> “Part of the challenge at least in my time there was the company's approach to integrated reporting approach – where reporting is seen as a compliance issue and not necessarily telling this story about that company. So, if a company has an approach of just doing it to comply, they will Go to These guys at the last moment or with just enough time for them to do what really needs to happen - but if a company has a wider broader view of what this report is about, What the values - Then I think they will spend more time. There are some guys who have people that are just dedicated to gathering all this information throughout the year. We didn't, it was just about giving that 100 pages. Walking away (R9).”

The choice of design houses is determined by the best price (R1, R3) for the service rather than the ability of the service provider to add value (R3). The design house in this instance provides the basic service of assisting the client to meet the basic requirements of the IR Framework, using the efficiencies and expertise garnered from previous reports and “getting it over the line for you, without everybody in your team losing their hair as opposed to really working and progressing your integrated reports authentically” (R1). The approach adopted by this category of company is summed up by R3 as follows:

"Whereas we've got other clients like I don't know, *name of client omitted*, that's, you know, say like ok thanks for the information. We're happy with what we're doing, you know. So there's a real vast sort of spectrum of the guys that are really at the forefront of reporting in terms of integration and the guys who are just saying, well, look, we're doing this just for regulatory purposes. No, just make sure the report looks fine. You know, we know that this is the requirement. We see it as a grudge purchase. We don't really see any benefit to this and we're happy to operate the way we've been doing for the last like 10 years (R3)."

The discussion with R3 above resonates with Stubbs and Higgins (2014) who argue that, in certain circumstances, changes in reporting are not reflective of deeper changes in systems or processes or the intangible culture of the organisation. Using the organisational theory discussed in Section 2.4, the external jolt to the system is the pressure exerted on companies as discussed in Section 4.2. Companies that view the preparation of the integrated report as an exercise in compliance do not necessarily make changes to systems and processes. These companies are able to deflect the effect of the external jolt and either make no or very few changes to internal systems as discussed directly above. The result is either inertia as reflected in Table 2, Section 2.4, where no change occurs, or rebuttal, where limited first-order changes occur. We will discuss the role of design houses as enablers of this outcome in Section 4.4.4.

4.3.3 Companies that view the preparation of the integrated report as value-adding

Acknowledging that this is a legislative requirement, the second category of companies understands the benefits provided by integrated reporting (De Villiers, Venter, et al., 2017). For some companies, these benefits are manifested internally in the form of more joined-up and integrated thinking that leads to better decision-making, better internal controls and better efficiencies (R8, R11), whilst others also see the value of integrated reporting manifested in external benefits like the lower cost and improved liquidity (R8). These companies typically are more aware of the technical details and benefits of integrated reporting (R2, R4, and R11).

"So if a client has a good in-house function then all they need is is you know the graphic company just to just do the thing - to do typesetting (R2)."

Companies in the second category are concerned, to different degrees, about the content of the integrated report, alignment with internal reporting, adoption of integrated thinking , the way the report is presented and the way it is received by the public (R1). Some within this category are keen to be viewed as leaders in the field of reporting and are interested in reporting awards, like those convened by EY.

Others, whilst concerned about public perception, are also concerned about embedding integrated thinking within their organisations (McNally & Maroun, 2018) and (R7, R10 and R11). Some have the skills internally to do so, while others do not. For example:

> “I mean, we've got *name of client* as a client and they are truly at the forefront of reporting against SDGs. And like I said, they even go down the granular level of - that is actually - they say - you are a director. You are now responsible for that particular SDG and they've got a report on that (R3).”

> “Whereas *name of client omitted* is completely the opposite. They've got a full team working, probably full time in saying, well, how can we actually integrate this information. . . . they're so committed to the integrated reporting process and linking everything together. It's really amazing (R3).”

> “They've jumped onto the concept of integrated reporting and they’re seeing the value in their company. So I think having that - I mean you talk to *name omitted* about integrated thinking and he's like yes, yes. Because now he's the CEO, you know and *name omitted*, the CFO. You know they're excited about it” (R1).

> “So if I go to *name of client omitted*, there are about four (or) five of them who sit there and listen in. When I go to *name of client omitted* there’s probably about eight of them who sat in on the last. There's not just the reporting people, it would be like the risk people, strategy, so they bring in quite a few. But when I went to *name of client omitted* there was 2 two of them (R4).”

The respondents above indicate that there are report preparers who are interested, aware and knowledgeable about integrated reporting. These report preparers possess the necessary skill to prepare an integrated report on their own (R4, R10, R11). For these report preparers, the content of the integrated report "is all prepared internally and they *(the design house)* just then find the best way to present it. We don't outsource our content anymore. We used to and then we found because some information was prepared internally, some of it was written externally, we found that the tone of the report wasn't consistent, and the board didn't like that. (R4)"

For R4, the design house only plays a role in terms of the layout and manner of presentation of the integrated report, and in enhancing how messages are communicated. They, therefore "work very, very closely with the design team. They also did our website and now and the online version of our integrated reports as well" to ensure consistency of message.

Report preparers in this category react differently to the external jolt compared to the report preparers discussed in Section 4.3.2, who viewed reporting as an exercise in compliance and made very few if any, changes. Based on the views expressed by respondents above, report preparers who perceive integrated reporting to add value are more likely to make changes to their tangible systems in the form of Design archetypes and Tangible sub-systems as discussed in Section 2.4 and reflected in Table 1. This gives rise to first-order changes within the organisation, reflecting organisational change associated with Reorientation as discussed in Section 2.4 and reflected in Table 2. The effect of the external jolt even results, in some instances in changes that reflect early second-order changes, being the interpretive schemes in the form of the DNA of the organisation that may reflect organisational change associated with colonisation as discussed in Section 2.4. The role of the design house in facilitating this change is discussed in Section 4.4.5 below.

4.3.4. Companies who are less interested or unaware

Sections 4.3.2 and 4.3.3 reflected companies on either end of the spectrum of management involvement and interest in integrated reporting. Between these categories lies a group of report preparers who are either unaware of the requirements of integrated reporting, despite being listed entities, or are less interested in improving their integrated reports (R1, R2, R3, R7). These report preparers have not yet seen or believed the benefits that integrated reporting may bring. This is well articulated by R1:

> "So I think it's a difference between – a – 'I really don't care, just get it done' or a – 'I'm unaware, but I'm excited to learn'. So that 'I'm unaware and I'm excited to learn', I've seen

> a lot of progression in that relationship over time, but that – 'I don't care', and the executive team is not involved in the IR at all except to, you know, make sure that their picture looks nice next to their review, I think those ones I've not seen, I haven't got an example where I've seen there be progression over time" (R1).

These companies are similar to the first category of companies discussed in Section 4.3.2 in that the systems and processes required for the preparation of an integrated report are not in place. Similar to report preparers in Section 4.3.2, the effect of the external jolt ranges from no changes to only minimal changes in the tangible systems. The result is either no change or first-order changes that result in either inertia or rebuttal as reflected in Table 2, Section 2.4. However, as reflected by Respondent 1, they differ from report preparers in Section 4.3.2 because there is greater potential to influence these report preparers to transition to seeing the value in integrated reporting and thus making changes to internal systems. These report preparers, therefore, have the potential to move closer in behaviour to report preparers in Section 4.3.3. The role of design houses in servicing these report preparers and their ability to move them along the reporting spectrum is discussed in Sections 4.4.6 and 4.4.7 below.

Having discussed the external pressures faced by report preparers in Section 4.2 and the manner in which manner respond in this section, we now explore the role of the design house in Section 4.4 in enabling report preparer behaviours in response to external pressures.

4.4 Services offered by design houses

Far from being a homogenous field, the services that report preparers require of design houses are reflected in a variety of services. These are classified as advisory services, writing services, design services and digital services (R1, R2, R3, R4, R6, and R7). Report preparers may request one or a combination of these services from their design house, or use different design houses to perform each of these functions (R1, R3, R5, and R7). Closely related to the services provided by the design house is the appetite for integrated reporting at the report preparer, as discussed in Sections 4.3.2 to 4.3.4.

4.4.1 Level of skill within design houses

Integrated reporting is a new reporting concept and field compared to, for example, financial reporting (De Villiers, Venter, et al., 2017). There are a limited number of courses that are available for a person seeking education in the field. However, some practitioners have developed their skills through experience and are closely associated with industry technical bodies like the IRCSA and the IIRC (R1, R2, R4, R6, R7, R8, R10 and R11). The level of skill is directly linked to the ability of the consultant to provide the advisory service to the client. Those with a basic level of skill can, for example, provide a comparison between the company's integrated report and its peers. Others with more skill can compare the company's report to the IIRC framework and provide suggestions for improvement to the internal processes within the client.

> The technical advisors do play a part, you know, but it would again depend on their level of expertise. So some of them you know, are very experienced and they would definitely have a role to play and be a value add, but there's some of the consultants who come in and - it used to be a bit like financial advisors before regulation. They were a mechanic today and financial advisor tomorrow, so the quality of consultants are - there is, not uniform. (R2)

4.4.2 Design house services

Design houses provide a range of services. These may be basic services where they, for example, "come in anyway for the colouring and the theme and so on, the pictures (R9)" and assist the company to, typeset the integrated report, do language and editorial checks and decide on colours and themes, and appropriate pictures to use. The services provided by design houses have evolved with the introduction of integrated reporting as discussed below, by R3 who saw the introduction of integrated reporting introduce the advisory services performed by design houses.

> "When I started at *Name of company omitted* as a freelancer, it was it was quite a mundane process of putting together information on a page. And all that we were doing is reskinning the old content. Once strategy came into play, strategy was able to give a lot more depth to the content (R3)."

On the advisory end of the spectrum, the design house may prepare the entire integrated report as discussed below. Examples of work that fall within the scope of advisory tasks include tasks that may have been expected to be performed within the organisation, like a materiality assessment and attendant workshops to determine materiality.

A selection of services provided by design houses in the advisory space is reflected below, based on discussions with respondents (R1, R2, R3, R5, R6 and R7):

- Review of the integrated report against the integrated reporting framework
- Review of the integrated report against competitors
- Review of the integrated report against current trends, for example, SDG reporting
- Preparation of a report discussing gaps and improvements in the previous integrated report
- Compile best practice examples for inspiration for the report preparer
- Conduct workshops for report preparers to decide on materiality and items to include in the integrated report
- Conduct interviews with senior management and key personnel to write the report
- Write the contents of the integrated report
- Where reports are written internally, create linkages between otherwise disparate reporting strands
- Liaise with designers and language specialists to present an integrated report that is appropriate for the company.

The determination of the level of advisory work is determined by management, is often informed by the budget available to the report preparer (R1, R6, R7, R10, R11) and “can take different formats depending on where the company needs the most assistance” (R6). The examples above have been included to reflect the nature of the work performed, some of which begin to encroach on management functions. The relationship between the design house and the report preparer regarding the scope of work to be performed is captured in the discussion below:

> “And what we do really is based on the company and how much money they have and or what they're looking for. But that can be from just saying listen I’ve looked at your last year's report - These are gaps and improvements, here's how you can close it so it's like a document that says these are your gaps. Here's ideas. Or it's maybe not a gap, but you can do it a lot better. This is how we think you can do it. Here’s some best practice examples to give you inspiration and so for a few clients sometimes that's the only thing we do. We give them this big report.

> And they then go and implement that. Other clients, we sit and we brainstorm stuff with you literally. They might say, well, you know, we just can't get our HR chapter correct. Let's bring the HR guys and you guys and we sit around a table and we bash it out. And that's where we then use our experience and our knowledge of IR. I've seen that companies done it -so that might actually work for your company as well. Let's work on that. Let's play with it. So it's like a part of the team, but you bring more - a broader range of experience. . . . They don't have time to go and look at 30 other reports to see what's the trends. And that's what we then bring" (R7).

Respondent 7 highlights the range of activities that the design house may perform. At one end of the spectrum, the design house may simply conduct broad-based market research, whilst on the other end, the design house may assist the report preparer by becoming part of the team that is responsible for the content of the integrated report. The level of involvement of the design house, therefore, ranges from being an external consultant to the equivalent of an internal resource.

The ability to act in an advisory capacity is driven by the depth of knowledge, skill and experience of the design house consultant of developments in integrated reporting and the expected effect of these developments on the report preparer's integrated report.

4.4.3 How design house services enable report preparers to deal with isomorphic pressures

Isomorphic changes are assumed to transmit between and affect companies (Camilleri, 2018). However, the *manner* in which these changes occur when the ideas are adopted by different companies has not been explored. In essence, to allow the isomorphic developments to transmit between companies, a vector or transmitter of these ideas is required.

Respondents indicated, as discussed in Section 4.2, that companies face isomorphic pressures in the preparation of integrated reports. Companies, therefore, need a mechanism to enable them to prepare integrated reports to relieve these pressures. These mechanisms may range from the culture and intangible factors within the organisation in the case of organisations where change may be described as colonisation or evolutionary, to those in whom the change is more a superficial first-order change such as reorientation or rebuttal. The sections below discuss how design houses act as enablers to companies in each of these situations.

In the case of the latter group of companies where management may wish to retain the status quo and continue with 'business as usual', the design house allows the report prepared to resemble an integrated report through the use of graphics, placement of text and broad-based statements that appear to conform with peer reports and the integrated reporting framework. Where management is more open to changing mind-sets and adopting late first-order or even second-order change, respondents indicate that design houses have developed advisory divisions that, at the extreme end of the range, directly intervene with senior management to create changes in culture, systems and processes. The specific services utilised by report preparers between these two extremes are dependent on the report preparers' appetite for organisational change.

4.4.4 Role of design house when management is less interested in progressing internal change

When management is less interested in integrated reporting, the preparation of the integrated report and integrated thinking, the design house may be used in the following ways:

- Reframing, repurposing and repackaging existing information and creating linkages that were not initially identified by management (Section 4.5.1.1); or
- Creating reports that mimic reports prepared by other integrated reporters without the supporting systems and processes in place (Section 4.5.1.2).

Table 6 below links the company's perception of integrated reporting to the organisational state of the company and the role that the design house may play in each of the scenarios. The right hand column of the table provides an index to the contents of section 4.4.4.

Table 6 – The role of the design house based on the report preparers' perception of integrated reporting

Company perception of integrated reporting	Organisational phase (per S 2.4)	Role of design house
Legislative burden (Section 4.3.2)	Inertia or Rebuttal	• Repackaging and reframing information to meet IR Framework requirements (Section 4.4.4.1) • Preparing integrated reports that mimic others (Section 4.4.4.2)

Value adding (Section 4.3.3)	Reorientation to colonisation	• Sharing and developing systems that enable integrated reporting (Section 4.4.5.1) • Acting as a resource to create processes within the organisation (Section 4.4.5.2) • Adding credibility to the in-house integrated reporting team (Section 4.4.5.3) • Benchmarking integrated reports (Section 4.4.5.4)
Less interested or unaware of integrated reporting (Section 4.3.4)	Rebuttal or Reorientation, with potential for colonisation	• Changing mind-sets (Section 4.4.6.1) • Educating report preparers (Section 4.4.6.2)
Other roles played by design houses	Across phase, depending on where in the organisational phase the report preparer is located	Enabling isopraxism (Section 4.4.7.1) Innovator and fresh thinker, providing insight (Section 4.4.7.2) Enabler of digital reporting (Section 4.4.7.3) Communicator and simplifier of messages (Section 4.4.7.4)

4.4.4.1 Role of advisor in repackaging and linking information to meet framework requirements

In this instance, the report preparer is looking to have an integrated report produced that complies with the Integrated Reporting framework due to the isomorphic pressures exerted upon it as discussed in Section 4.2. The report preparer does not necessarily want the report to be the best in class or to mimic other companies' reports. The service that the design house provides, in this case, is, having seen a draft report, or the previous integrated report, “they advise the client on the way forward in terms of linking information” (R3). The objective of the consultant in doing so is to allow the “information (to) become a little bit more valuable in terms of the report” (R3).

The advisors might simply take the information provided by the client and repackage it, or, in some instances, they may “try and put a little bit more to the content that they're giving us and make it a little bit more richer . . . so that that's our kind of value add” (R3). This does not suggest that the advisor creates or produces new information necessarily, but the advisor considers how that information might be better packaged and linked internally within the report. The effect of the work of the advisor in this instance might well be to create the appearance of integration and linkage within the report (R1, R3, R7). For example:

> “So what they do is they look at bodies around the world in terms of reporting. They look at the SDGs, the ESGs, they look at sustainability. They look at material matters. They look at. So what they're able to do is actually - – so there's a lot of the time - It's because it's written in-house, the guys don't look at their report on a bigger picture of what, what does this actually mean and how you can tie it all together. So what our strategy guys are able to do is actually sit down and read the reports. In fact, they read the reports over the last couple of years and then advise them of how better they can actually communicate certain things. They often or most of the time tie it into the strategy of the company itself. So if the company has got a drive to be more involved in their communities, they're able to say OK. Well, in terms of the SDGs, these are the ones that you focusing on. These are the ones that you should be reporting to, and we can take that further (R3).

The design house sometimes also goes further than described above and backwards engineers the information so that it is forced into a document that looks like the integrated report, which entails more than simply linking information. R1 describes this as

> “But when you connect that with what's happening internally in the organisation, they don't have the KPIs, they don't have, you know they don't have a stakeholder management that needs to happen in order to – you know then you land up backwards engineering things to make it fit into the framework” (R1).

In these instances, the design houses become active participants in creating the illusion that the integrated report reflects an internal reality of integrated thinking. (R1, R3, R7).

4.4.4.2 Role of design house in preparing integrated reports that mimic others

Report preparers may not be interested in integrated reporting but may still perceive the need for a report that looks good in relation to competitors, again as a result of isomorphic pressures discussed earlier. Report preparers in this situation ask design houses for the entire report to mimic a leading report, or for sections of the report to mimic another report.

In this case,

> “the clients actually come to us, and they say name of client omitted has done this. They've won awards. I really love their business model and they say how can you? How can you make our business model sort of on par with it, with this? So obviously, you can't actually do that because the content is completely different and the information is completely different” (R3)

Respondent 1 describes how, in some instances, after a report preparer had requested a report that looked like another reporter's, R1 presented a structure of a report to meet the report preparer's specifications. The report preparer,

> “didn't have the information to back it and they actually then got upset with us and said, you know, you haven't met your mandates. In the following year, they dropped us” (R1).

However, not all design houses turn these requests away. R1 and R2 describe situations where the business model adopted by a particular design house adopted a business model, that was not in accordance with the IIRC framework, but which “became very common. And speaking to the people who had used that variation of the business model, they all used the same agency” (R1)

> “And I think when I started out, when name of company omitted started out, I think when you starting off in the beginning, you just taking whatever work you can get, 'cause you're trying to establish your name - trying to establish the brand. So I think then the proportion of clients that it was just that sort of backwards engineering was larger” (R1).

The effect of the services offered above is that they allow management to continue with business as usual, and allow the company to deflect the isomorphic pressures exerted (R8). The design house in this case acts as an immunising force that shields the entity from change. This is summed up as follows:

> But we don't do the work and we don't want to change the way that we run the business and we don't want to have this be a pain for us, you know? So we have we - I mean then you, you do the best that you can with the information that you have. But I think again, there's just so much narrative about the preparation, and then without any of the backing, that it just becomes so obvious that It's it's a misfit. But for some companies that's what they want" (R1)

4.4.5 Role of design house when management perceives integrated reporting as value-adding

When report preparers perceive the integrated report to add value, the design house services utilised are accordingly different, to meet this different need. In this instance, the design house may play several roles, from being a sounding board or a provider of research in the form of current trends and practices in integrated reporting to supporting an internal integrated reporting team and finally assisting clients to develop systems and processes that facilitate both integrated thinking and reporting (R1, R3, and R7).

4.4.5.1 Role of design house in sharing and developing systems that enable integrated reporting

> "I think the biggest one for me is when this, the qualitative and the quantitative don't match up. So you've got these very aspirational statements, but the - how you're gonna get there, or how we're measuring that progress is either not there or very light. So, you know, you're saying that your purpose is to do XY and Z, but your strategy doesn't line up with that. The KPIs that you're using to measure your strategy don't line up with, you know, not necessarily even your purpose, but don't measure up to the objectives that you stated in your strategy. You know, I think those are the things that really become alarm bells for me" (R1).

Respondents 1, 4 and 10 highlight that good integrated reports are supported by quality information and information systems. The absence of these information systems, whilst attempting to achieve the same result as those with the requisite information systems, results in a report that is a 'lack of authenticity' (R1).

The section above discussed the role of the design house in enabling companies to report in a manner that mimicked other report preparers so that homogeneity of form was established.

However, design houses also play a critical role in the replication of practices, systems and processes within an organisation. Where empowered by management, their activities enable isopraxism, being the consistency of practices. They can do so because they are the only entity privy to the internal workings of report preparers. Design houses see what systems and processes produce information other companies have available internally that allows these report preparers to produce good integrated reports.

They can share, at a high level and without divulging confidential information, information about practices at other organisations (R1, R3, R7, and R8). In this way, they spread integrated reporting and the ability to prepare integrated reports using information that is supported from within the organisation. R1 describes this process as resulting in a "change that we were able to to create in their reports over that time was fantastic based on the relationship and the trust and being immersed in the organisation". To achieve those results, R1 describes the discussion with the client as follows: "Next year let's aim for this. So you've got the time to start putting those processes in place, which is why it's so nice to be able to work with a client long-term."

R10 discusses how R10 was employed by a design house and was subsequently asked to work for his current employer as a report preparer. He was asked to work at his current employer due to his familiarity with the reporting systems necessary for the preparation of the integrated report. In R10's case. He was brought in specifically to introduce environmental reporting within the organisation, to the point where environmental reporting is part of the reporting packs which management uses to make decisions.

The ability to share practices that enable the development of systems and processes that support the preparation of an integrated report is perhaps one of the biggest roles that design houses play in the evolution of integrated reporting. Whilst it is possible for other parties and layers in the integrated reporting field to create avenues for reporting form to be mimicked, it is only the design house that is in a position to create a uniformity of, and expand the base of good practices that ultimately lead to good integrated thinking and reporting.

4.4.5.2 Role of advisor in acting as a resource to create the processes within the organisation

The preparation of an integrated report requires the collection and collation of information. Report preparers may sometimes use their own internally developed systems and processes to collect the data necessary for the preparation of the integrated report without the assistance of the design house (R4, R10). Report preparers at other entities that do not have such systems in place find that the presence of an advisor allows them to make the process of collecting, and sometimes creating, the information, more efficient. In discussing, the role that the design house plays at the company R5 works for, R5 describes how workshops with the owners of different parts of the content of the integrated report are conducted to determine the adequacy of information prepared before its inclusion in the integrated report. R5 describes how R5 brings the design house into the workshops with the content owners “because sometimes this up and down takes a lot of time” (R5) referring to the process of developing a framework for content, scrutinizing reporting which has been returned by the content owners to R5 and then running the reported information through the design house.

> Assist them think about all of this through facilitating workshops after this sort of review of all this documentation and a number of interviews with key key role players and then bring those all together in a room. So, there's some consensus building around, you know what are what are the most important issues that they should be talking about, and that's obviously bringing in their strategy, their business model, their performance indicators that that's then what is the outcome and what needs to be put into their report. (R6)

The preparation of the integrated report requires the preparer and the organisation to consider the concerns of stakeholders and to determine a level of materiality that will form the benchmark by which to assess which information to include within the report and which not. R5 reflects the impact that the design house plays in this critical piece of developing an integrated report, “With the Exco members . . . we have an external person that takes us through the (materiality) workshop. I mean it's also name of design house omitted. And then we see what we think is material which impacts the organisation.” In the case of R5, the design house assists with the entire suite of processes required for the preparation of the integrated report and effectively acts as the mechanism through which the report preparer determines what information is relevant for inclusion in the integrated report and its subsequent gathering and reporting.

> “So they run that for us. Like the SDG Workshop, we also ran it with name of design house omitted. So each year we say what workshop can we have besides the working sessions? (R5).”

> “We facilitated the thinking around distilling You know your material issues, Distilling the important aspects of your strategy, business model, etc. to highlight, and so we would give you an outline to say you know this is the key sections you should address in your report, and here's some of the key themes That we've worked on together, you know, we facilitated that thinking with you. And give you some sort of structure and then the company is best placed to go off and flesh that out and fill in all that detail (R6).”

4.4.5.3 Role of advisor in adding credibility to the in-house integrated reporting team

Whereas expertise in financial reporting is reflected through a qualification or certification, the same is not true of integrated reporting. Report preparers sometimes have teams internally who lack experience or qualifications in integrated reporting. In these cases, the design house acts as a support to the integrated reporting team and allows the integrated reporting team to build the necessary confidence and earn the trust of the management team (R5).

> “I think when it's internal people, if I have to have a meeting or working session with internal people, I don't know why internal people always prefer outside consulting. I think they listen more to them than if I had to give him working sessions. I don't know if it's because I'm their colleague. I'm with them every day. They do listen, but then I think they pay more attention once an outside person is there and someone who's experienced in this field.” (R5)

This is reflected in many ways. R5 discusses how, when the internal report preparers are not satisfied with the content provided by the content owners, they call upon the design house to sit “with us in those feedback sessions where we give feedback to the content owners where we do not agree with some of the write-ups of the reports and we give them advice.” (R5). R5 goes on to describe how the response from content owners was much better when the design house delivered the feedback on the written content.

The respect for external consultants is not restricted to the content owners who report to the internal report preparer who is responsible for the integrated report. R5 explains that when presenting to the executive committee she needs “to bring external people. Then they listen. And if I have to have a workshop with them on materiality and I did it, they wouldn't listen that much. So I always have to bring someone from outside. Then they will attend and they will listen.” (R5)

Representatives from the design house are therefore perceived to be experts in the field of integrated reporting, and their views support and strengthen the actions of the internal team preparing the integrated report.

4.4.5.4 Benchmarking integrated reports

Section 4.4.4.2 discussed how clients who are less interested in integrated reporting utilise the design house to mimic reports prepared by others. This is not to be confused with reporters who perceive the integrated reporting process to add value and invest time to “review other companies' integrated reports and sort of benchmark ourselves every year. Look at best practice, what the trends are and we look at our prior report and where we think there are things that we need to work on (R4)”. This was confirmed by R5, R8 and R11. This requires the report preparer to look “at a lot of the reports, I attend all the integrated reporting awards, the IRC conference every year, so I've got quite a good idea of what's going on (R4)”. The comparison of a company's reporting to peers and best practices is therefore accepted as a standard reporting practice and is regularly performed.

In many instances, however, to be more efficient and utilise readily available skills, the report preparer may engage the design house to research on their behalf to identify reporting trends and practices, (R1, R11, R3, R4, R5, R7, R9) often resulting in the preparation of report containing suggestions for improvement, or utilise the feedback from reporting awards to consider changes (R10). Even those that are the most independent, obtain an assessment of what design houses “see that the other clients are doing. Every few years they do a formal gap analysis for us. And they do provide us with what they see as some of the trends that they see as well, so it's quite a collaborative effort (R4)”.

4.4.6 Role of design house when management is less interested in change or unaware of the benefits of integrated reporting

As discussed in Section 4.4.2, the design house may provide services in one of several categories. Regardless of which category the services provided are, the design house can influence the report preparer. Where management is less interested or unaware of the benefits of iterated reporting or what the reporting process entails, the design house is in a position to influence key decision-makers. This is because of their access to key decision makers and the perception of them being experts in the field, not just of design, but of integrated reporting.

4.4.6.1 Role of design house in changing mind-sets

R1 narrates an incident of a client that started their integrated reporting journey with "nothing beyond the financial and the manufactured capital in their strategy". The advisor was able to open a conversation with a client and get the reporter to change its view on integrated reporting to the point where the views of the CEO and management team on integrated changed, leading to changes in not just structure and processes but also changes in the nature of the organisation (R1).

4.4.6.2 Role of design house in educating report preparers

Integrated reporting is a rapidly developing field. In addition to changes to the framework suggested by the IIRC Framework Board, there are many publications issued by professional bodies like the ACCA as well as local integrated reporting bodies like the IRC of South Africa.
Education of report preparers relates to both the initial education of those who are new to the field and ongoing education as integrated reporting develops. As it relates to creating new integrated reporting disciples, R5 describes how, on accepting the responsibility for the preparation of the integrated report, R5 "relied on consultants at the time. I would put name of consulting company omitted. They were here for a very long time because there was a lady that was good in sustainability at the time. I stayed with her I think for four months or something. So she took me all through all the ropes." (R5)

With a limited number of training providers in South Africa (2 according to the IIRC website) that are accredited, the advisors become an important link between the latest technical developments and the reporting in practice. (R2)

In the absence of a professional body overseeing the profession, there is no need for individuals preparing integrated reports to consistently ensure they are au fait with the latest technical developments. Whilst some individuals and companies ensure that they are aware of the latest technical developments (R4), there are many who “aren't, and they would be relying on their consultants and their graphic companies” (R2) to keep them up to date (R4). This is illustrated by R3, who discussed an experience at an exchange at a board meeting as discussed below:

> “I was in a board meeting yesterday and one of the guys said they were in a meeting with the client and the client said, well, you know, what does ESG stand for? And it's like hang on a second. Obviously. I mean, you know, a comment like that from a director. You don't actually think that it could come from them, but you know, that's that. So you're looking at people that need to be educated in terms of where they should be going in terms of any kind of reporting frameworks.” (R3)

From a preparer perspective, the design houses play a vital role in keeping them up to date. Respondents described the advisors from the design houses as having the time to do so since it was “their full-time job” (R5). Design houses live up to that expectation by sharing news of technical developments like changes in the integrated reporting framework, King IV and newly issued guidance regularly (R4 and R5). Report preparers value this education aspect and describe it as being beneficial (R4 and R5). From an overall integrated reporting perspective, the advisors add to the reporting ecosystem (R2) in a way that adds value through sharing technical knowledge (R2).

Contrasting this approach to the continuous professional skills development programmes required by the local accountancy profession, where qualified preparers of financial statements need to ensure that they are kept up to date on the latest developments. Advisors to preparers of integrated reports are often the bridge between the latest technical developments, be this the changes to the integrated reporting framework, changes in corporate governance codes, or the latest supplementary guidance (R2). This is evidenced by the IRC SA establishing a practitioner’s forum where design houses can discuss topical areas, allow them access to the latest thinking and generally improve the technical competency of practitioners who are in the marketplace (R1, R2 and R7).

4.4.7 Other roles that design houses play

4.4.7.1 Stealing like an artist – Isopraxism in integrated reporting

Preparers that decide to use elements of other companies' reporting may either try to replicate that design or format in its entirety as it exists in the other preparers' report or adapts the design to suit their own circumstances. (R1, R4 and R5)

R1 describes the latter situation as 'stealing like an artist' in that "when you are looking at an example you can never have them exactly the same because the organisations are very different. So you're taking the idea and using it as food for thought to inspire what you actually have. So when you combine the idea with what you actually have, it transforms into something new. So the ideal is always to have something a little bit different based on the intricacies of the organisation you're working with" (R1). R4 goes on to describe how, in that situation, "the advisory service will take that and actually say, well, how do we do that without the conflict of interest."

The effect of the above is that the consultant helps the report preparer to "go through that same process of thinking that we went through to get there. So that's great. That's a good thing." (R1) describing how emulating other reports results in a change in the information flows within the organisation, supported by the consultant.

4.4.7.2 The design house as a creator of standardisation

Financial reporting disclosures are stipulated within the relevant financial reporting standards and the manner of reporting on these disclosures has become embedded within the fabric of reporting and is well known. Examples of illustrative financial statements and the related disclosures are prepared by many of the large four accounting forms viz PwC, EY, KMPG and Deloitte.

In contrast, integrated reporting is fairly new and lacks the structure that financial reporting has. Whilst a framework for integrated reporting exists (IIRC, 2021), this is a broad framework that discusses what is required to be disclosed, using principles as a basis. For an entity wanting to recognise measure and disclose, for example, an intangible asset like a trademark, the entity would make use of the specific financial reporting standard IAS 38. However, there are no equivalent direct reporting standards as exist within financial reporting that state specifically what, for example, should be disclosed as it relates to the entity's use of the six capitals.

In the vacuum created by the lack of specific guidance, design houses become the means by which company reports start looking like each other and bear a similar structure. To some degree, they begin to create comparability between reports. However, report preparers, as discussed in Section 4.2, are subjected to isomorphic pressures. Hence, the appearance of legitimacy is enhanced by appearing to be like their peers.

Design houses are in a unique position where they have access to and work on many integrated reports (R1, R3, R4, R5 and R7). They see not just the external version of reporting but are privy to the inner workings and mechanisms of how integrated reports, good and poor, are produced (R1 and R10). They are thus able to spread not just reporting practices, but also the underlying mechanisms, systems and processes that allow for quality information to be collected and good reports to be produced. R4 describes this as the design houses providing the report preparers with valuable information about "How they are reporting, and they give you examples and you know they work for more than one company. So they are the best people to advise us and say this is the trend, this is how things are done and so forth" (R4).

4.4.7.3 Design houses as introducers of innovation, fresh thinking and insight

Due to the lack of guidance around how the information is presented and the ability of reporters to decide the approach that best tells the narrative of the company, reports prepared by others have the potential to become best practices.

Reporting awards, like those conducted by EY, which rate integrated reports into categories from "Excellent" to "Progress needed" result in certain reporting trends and practices becoming best practices, which then move out of the realm of mimicking others' reports to simply preparing reports based on common reporting trends. R1 described how an innovation R1 introduced into a report first was sought after by other companies who had seen the report and then was considered to be best practice after it was mentioned by the judges in the EY integrated report awards. The status of becoming a best practice also changes how design houses approach clients. When the practice is an innovation for a specific client, "then it stays within that client because it tells their story to the best of their ability. But when it becomes something that's expected, then it changes, changes the way that we handle it (R1).

Design houses and preparers of reports acknowledge that how they prepare reports has the potential to be similar between their different clients (R1, R4, R4, and R6). Respondent 2 discusses a particular consultant who "does a lot of reports. He used the same format for the business model for each of his listed clients and it's actually wrong. It's not in accordance with the framework". Respondents 1and 2 and noted instances where technically incorrect information continued to be perpetuated because of the incorrect information having been developed initially. The innovations introduced by design houses may therefore not always be well received, or technically correct. Nonetheless, they add to the evolution of integrated reporting.

4.4.7.4 Enablers of digital reporting - From paper to paperless

One of the innovations that design houses have introduced is the move away from paper reporting to digital reporting. Whilst many companies produce their own content for the integrated report, the ability to move that content into a digital environment is considered to be a specialist skill. In the absence of a need for these services on a continuous, year-round basis, companies prefer to outsource the production into digital format to design houses (R2, R4, and R5).

4.4.7.5 Role of advisor in communicating and simplifying messages

One of the other roles of the advisor is to understand from clients who their target audience is and the best way to engage with the target audience. An advisor "would sit with the clients and ask them well - what is it that you want from this in terms of an experience from the user and they would go through many different scenarios in terms of this is the best user experience (R3). The role of the designer, as with the role of the language editor of a research report, is to enable the message to be effectively communicated to the intended audience, without changing the message, as discussed below.

> But if you can say OK, I've got this information from the client who sat down with strategy. Strategy have been able to put some logic behind the flow of this information. And now it's the designer's role to actually take what they've learned and put it into a really, In a format that it could that that the person who's consuming this information can get it straight away (R3).

One of the reasons the design house is needed is due to the operational nature of some of the content of the integrated report, and the clarity brought by an external writer is reflected below.

> But guys why aren’t we just writing it ourselves while we're paying name of designer omitted and her team to write it? And the answer was - well we've tried that before but we the guys get so wrapped up in their operational bits and I want to say everything they they focus on the wrong things whereas if you have an external person it helps Guide them what to actually report (R7)

CHAPTER FIVE – CONCLUSIONS

5.1 Summary of findings

The increasing prominence of integrated reporting as a significant role player in corporate reporting is well documented by the academic literature (Abeysekera, 2013; Atkins, 2020; De Villiers, Hsiao, et al., 2017)). This study finds that isomorphic pressures exist and play a key role in driving the decision to prepare an integrated report and how these reports are structured. This is consistent with earlier research which has highlighted the relevance of isomorphic pressure for how businesses are managed (DiMaggio & Powell, 1983) and how they report financial information (Camilleri, 2018).

The study then examined the manner of adoption of integrated reporting in companies listed on the JSE. Companies perceive the preparation of the integrated report to be value-adding, on one end of the spectrum, and an exercise in compliance, on the other. A “middle category” was also identified. It comprises companies that are unaware of the benefits of integrated reporting and have taken little interest in the development of this type of reporting.

The role of design houses in alleviating the external pressure exerted upon companies was explored in the context of how these companies perceived integrated reporting. It was observed that design houses act as enablers of the approach adopted by the company in relation to integrated reporting. Where companies perceived integrated reporting as an exercise in compliance, the services provided by the design house allowed the company to absorb the external pressures without necessitating a change or by making very few internal changes. This response was aligned with the model of organisational change where external pressures exerted resulted in an organisational state of inertia or reorientation. The services provided by the design house facilitated the relieving of the external pressure by allowing the organisation to make little or very few changes.

Where companies perceived integrated reporting to be a value-adding activity, the services provided by the design house allowed the company to respond to external pressures and make material changes. This response was aligned with the model of organisational change where the external jolt resulted in an organisational state ranging between reorientation and colonisation. The services provided by the design house facilitated the relief of the external pressure in the form of changes to the tangible systems and processes and the intangible beliefs and norms within the company.

Where companies were less aware of integrated reporting or had not yet fully understood the benefits of integrated reporting, the services provided by design house allowed the company to explore a path that was most suited to its internal setup. From an organisational state perspective, these companies can be classified as being in a state of transition. They may either rebut the need for change, adopt some changes but retain their core structure or use integrated reporting as a catalyst to reconfigure themselves. The design houses facilitate how the organisation responds to the emergence of integrated reporting.

5.2 Contribution of the research

Prior research has focused on external pressures exerted upon companies in the preparation of an integrated report (Camilleri, 2018). Research has also been conducted on the inner workings of the report preparer and the organisational state which allows for the preparation of the integrated report (McNally et al., 2017; McNally & Maroun, 2018; Stubbs & Higgins, 2014). This study establishes the link between external pressures and the organisational state and demonstrates how they are reconciled in practice.

The integrated report has typically been viewed as being prepared by a homogenous group of individuals or managers employed within an organisation (de Villiers, Low, et al., 2014). The study has explored the role of an external role player, the design house, in alleviating the pressures exerted upon report preparers. In doing so, the study has added to the academic literature by expanding the ecosystem of the role players involved in and influencing integrated reporting and the preparation of an integrated report.

The study was designed to understand the process of evolution of integrated reporting as this is an often under researched area. It is often assumed that accounting evolves in a rational and neutral manner (Hopwood, 1987), however more research is required to understand the mechanisms that drive change. This study talks directly to that need. It seeks to understand the changes and the role players in the evolution of integrated reporting. The study does not seek to make normative recommendations. Instead, it adds to the literature that explores how corporate reporting tools and technologies develop. To date, no papers were found that specifically investigate the role that design houses and consultants play in the evolution of integrated reporting as part of the broader corporate repointing spectrum. This paper adds to that field of study.

Finally, the study makes a valuable practical and empirical contribution. It provides evidence and insight into how academic theories are applicable in real-world settings. In doing so, the research allows stakeholders to understand the inner workings of the organisation and ask appropriate questions of those charged with the responsibility for the preparation of the integrated report.

5.3. Limitations and areas for future research[3]

As discussed in section 1, the study was restricted to South African listed companies. Research conducted in the future can explore:

- whether the findings are similar in non-South African companies which have different governance and reporting backgrounds; and
- whether the findings are similar in non-listed entities, whether in South Africa or not, which may face different external pressures.

Additionally, given the expanded ecosystem of integrated reporting, further research may consider whether there are other significant role-players that meaningfully contribute to and influence integrated reporting.

The study has explored the role of design houses in the evolution of integrated reporting. Future research may use this as a base to explore the relevant and impact of the work performed by design houses on regulators, practitioners and standard setters. Future research may also focus on how the practice of using design houses may be employed differently to improve the quality of integrated reporting.

[3] Please see Section 1.4 for a list of limitations and delimitations on which these future areas of research can draw.

Lastly, future research may be conducted on the impact that additional role players like design houses have on:

- the integrity of integrated reports and
- the adoption of integrated thinking to drive integrated reporting.

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2. Appendices

Appendix 1 – Information sheet for participants and consent form

<u>INFORMATION SHEET FOR PARTICIPANTS</u>

Ethics clearance number: 2020-11-30

Title: The role of design houses in the evolution of integrated reporting

Dear Sir / Madam

My name is Zubair Wadee. I am a masters student in the School of Accountancy at Wits University in Johannesburg. As part of my studies, I have to undertake a research project. I am evaluating the role design houses play in integrated reporting under the supervision of Wayne van Zijl.

As part of the project, I would like to invite you to take part in an interview. There will be no personal costs to you if you participate in this project, and there are no disadvantages or penalties if you do not choose to participate or if you withdraw from the study. You may withdraw at any time or not answer any question if you do not want to.

Before you decide whether you want to take part, it is important for you to understand why the research is being done and what your participation will involve. Please take the time to read the following information carefully and discuss it with others if you wish. Ask us if there is anything that is not clear or if you would like more information.

- In this study, I want to investigate the role design houses play in integrated reporting.
- If you agree to participate, a time will be scheduled for an interview that is expected to take sixty to ninety minutes to complete.

- There are no material risks posed by participating. Your identity and place of employment will be kept confidential. No personal information will be collected from you.
- There are no right or wrong responses – this research is only interested in your own experiences and impressions.
- Interviews will be recorded, subject to your permission. The interview will be transcribed and kept on file by the researcher but your identity and that of your employer and/or clients will be kept confidential and will not be referred to directly in the final research report.
- The data collected from this research project will be stored on a password protected computer accessible only to the researchers and will be kept for an indefinite period of time.
- You will not receive any compensation for participating in the research. There is no direct benefit from participating or not participating in the research.
- This study will be written up as a research report which will be available online through the university library website. The study may also be developed and published as academic research articles.
- Should you be interested, a copy of the final report will be available to you on request.

It is up to you to decide whether to take part or not. If you decide to take part, you are still free to withdraw at any time and without giving a reason. In addition to withdrawing yourself from the study, you may also withdraw any data/information you have already provided up until it is transcribed for use in the final report. If you experience any distress or discomfort at any point in this process, we will stop the interview or resume another time.

If you have any questions during or afterwards about this research, feel free to contact me on the details listed below.

If you have any concerns or complaints regarding the ethical procedures of this study, you are welcome to contact the University Human Research Ethics Committee (Non-Medical), telephone +27(0) 11 717 1408, email hrec-medical.researchoffice@wits.ac.za.

DETAILS	RESEARCHER 1	RESEARCHER 2

Name	Zubair Wadee	Wayne van Zijl
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Yours sincerely

Zubair Wadee

CONSENT FORM FOR PARTICIPANTS IN RESEARCH STUDIES

Please complete this form after you have read the Information Sheet and/or listened to an explanation about the research.

Title of Study: The role of design houses in the evolution of integrated reporting

Name of researcher: Zubair Wadee

Details	Please tick or initial
I agree that my participation will remain anonymous	
I agree that the researcher may use anonymous quotes	
I understand that if I decide at any time during the research that I no longer wish to participate in this project, I can notify the researcher involved and withdraw from it immediately without giving any reason. Furthermore, I understand that I will be able to withdraw my data up to the point of submission of my responses.	
I understand that the information I have submitted will be published in a thesis and/or publication and that I can request a copy of the final article.	
I understand that my personal information will not be collected. My identity and that of my employer and/or clients will be kept confidential and will not be referred to directly in the final report.	
I agree that the information I provide may be used anonymously in other research projects	

I consent to my interview being recorded.	

Participant's Statement:

I ___________________________________ agree that the research project named above has been explained to me to my satisfaction and I agree to take part in the study. I have read both the notes written above and the Information Sheet about the project, and understand what the research study involves.

Signed Date

___________________________ ________________________________

(Participant)

Signed Date

___________________________ ________________________________

(Researcher)

Appendix 2 – Interview agendas

Interview agenda – Design houses

- Has the introduction of integrated reporting had any impact on the company?
- What are the different types of services you offer in relation to an integrated report?
- What role does the person responsible for the preparation of the integrated report within the company play in the preparation of the integrated report?
- What role do you play in the preparation of the integrated report?
- Who decides what is disclosed within the integrated report?
- What role do you/your company play in the development of integrated reporting?

Interview agenda – Preparers within company

- Has the introduction of integrated reporting had an impact on the company?
- What role do you play in the preparation of the integrated report?
- What, if any, services do you procure from design houses?
- What role does the design house play in the preparation of the integrated report?
- How do you decide what is disclosed within the integrated report?
- What is the role of the design house in the development of integrated reporting?