Creating and communicating value through integrated reporting : findings emerging from action research in five European HEIs

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4

CREATING AND COMMUNICATING VALUE THROUGH INTEGRATED REPORTING

FINDINGS EMERGING FROM ACTION RESEARCH IN FIVE EUROPEAN HEIS

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Keywords

Value creation; sustainability; strategic planning.

Abstract

If ever there was a time to conclude that Higher Education Institutions (HEIs) need to integrate sustainability into their strategic planning processes it is now. HEIs have been grappling with climate change for many years and it appears inevitable that COVID-19 will have an enduring impact on the way HEIs think about the value that they create for a range of different stakeholders. To be successful in this new, ever-changing world, HEIs will need to clearly identify the drivers of value in an academic setting and communicate how they create value for a variety of stakeholders both now and in the future.

This paper draws on the role that Integrated Reporting (<IR>) can play in strategic planning and enhancing connections between management practice, value creation and reporting. According to the International Integrated Reporting Council (IIRC), Integrated Reporting <IR> is the concise communication about how an organization's strategy,

governance, performance, and prospects lead to the creation of value over the short, medium, and long term. It helps to bring the different stakeholders of a HEI into the same arena when it comes to understanding impacts and outcomes and clearly illustrates the value created by an HEI in terms of multiple capitals. This is much deeper and wider than value for money. It is about understanding the relationships between the resources available to a university, the stakeholders impacted by the activities of the institution, and the consequent creation (or destruction) of value across multiple capitals.

Despite the clear benefits associated with <IR>, many organisations face considerable barriers associated with implementing the IIRC framework. In this study we use action research to explore and bridge the strategy-implementation gap in five HEIs in five different European countries as they seek to develop their first prototype <IR> as part of an Erasmus+ funded project (ISSUE). The analysis draws on data collected by each HEI including stakeholder analysis, various planning documents, questionnaires and qualitative data collected through a variety of face to face and e-meetings during the <IR> development period. The analysis draws on comparisons to identify similarities and differences between the approaches, analysis, and experiences of the participating HEIs. This research contributes to the improvement of the knowledge base associated with the understanding of the implementation of <IR> in an HEI context and provides evidence-based intelligence to inform practice and help to bridge the implementation gap[*].

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Introduction

Integrated Reporting (<IR>) is the latest development in a long line of innovations which have attempted to improve the decision usefulness of corporate reporting (ICAEW, 2010). <IR> was developed in response to growing stakeholder demands for broader, more holistic and longer-term decision-useful information, compared to that provided by traditional corporate reports (de Villiers et al., 2017). <IR> aims to address the limitations of preceding corporate reporting models, highlighted by the 2008 financial crisis, which were historic, disconnected, and failed to consider the increasing relevance of intangibles and the dangers of short termism (Adhariani and de Villiers, 2018; Robertson and Samy, 2015). The need for a broader information set is clearly demonstrated by the small percentage of organisational market value now explained by physical and financial assets – down to only 10% in 2020 from 83% in 1975 (Ocean Tomo, 2020).

<IR> creates the potential to significantly improve the long-term health of corporations and the external environment they impact through consideration of the three indivisible and integrated dimensions of sustainable development, the economy, society, and the environment (Robertson, 2018). Additionally, <IR> can contribute to a sustainable society by providing the opportunity for organizations to respond to the UN Sustainable Development Goals (Adams, 2015; Adams, 2017b). However, some academics consider <IR> to be exclusively investor orientated with little to say about either accountability or sustainability (Flower, 2015; Milne and Gray, 2013).

Since the formation of the International Integrated Reporting Council (IIRC) in 2010, the concept of <IR> has increased in relevance and importance (de Villiers et al., 2014; Dumay et al., 2016), driven by an increasing recognition that globalisation, rapid technological advancements, increasing concerns around societal and environment issues and the emergence of a knowledge based economy have significantly changed how organisations create value (Adhariani and de Villiers, 2018; Robertson and Samy, 2019; World Bank, 2014). In June 2021, the IIRC and SASB (Sustainability Accounting Standards Board) officially merged into the Value Reporting Foundation, in response to calls for clarity, consistency simplicity in the corporate reporting landscape. The Value Reporting Foundation is a global non-profit that supports organisational and investor decision-making with three key resources: Integrated Thinking Principles, Integrated Reporting Framework and SASB Standards.

Despite significant developments in <IR> over the last seven years and the potential for universities to be among the biggest beneficiaries of integrated thinking and integrated reporting, the annual reporting practices of most universities have remained stagnant. According to Adams (2018a, p. 332), university annual reporting practices ‘are largely unimaginative and backward looking, consisting of compliance disclosures, financial statements and explication of governance structures and management teams with some unverifiable ‘feel good’ information thrown in’. Further, in contrast to efforts to develop ‘integrated thinking’ in the corporate world (Adams, 2017a), university structures and strategies remain locked in functional and discipline silos (notwithstanding some admirable attempts to develop interdisciplinary research) and a separation of the academic from the operational (Adams, 2018a).

While the <IR> field of literature is developing in the private sector, few studies exist on public sector organisations, especially universities (Dumay et al. 2016). Particularly, the IIRC vision of <IR> becoming the corporate reporting norm has been hampered by: lack of clarity surrounding definitions of <IR> and its key concepts; competing standards; balancing the interests of multiple stakeholders and lack of clear guidance on measurement systems and metrics for integrated thinking and reporting (Robertson and Samy, 2019). This highlights the significance of this research which aims to gain insight factors that help or hinder <IR> implementation.

The analysis adopts Kotter's (1996, 2008) process for creating change and addresses a gap in the academic literature associated with the use of this framework in practice (Appelbaum et al. 2012). The study draws on data collected by each HEI including stakeholder analysis, various planning documents, questionnaires and extensive qualitative data collected through a number of face to face and e-meetings during the <IR> development period. The analysis draws on comparisons between and within institutions to identify similarities and differences between the approaches, analysis, and experiences of the participating HEIs. This study therefore addresses calls for future research that explores, at a more detailed level, interactions between single individuals or small groups in implementing or understanding the integrated reporting idea (Rinaldi et al. 2018). The study contributes to the improvement of the knowledge base associated with the understanding of the implementation of <IR> in an HEI context and provides evidence-based intelligence to inform practice and help to bridge the implementation gap.

Universities, Integrated Reporting and Kotter's 8 Steps Process for Change

Universities play significant roles in national and global economies. In the UK alone the 'traditional' higher education sector generated almost £35 billion in income in 2015/6, and its expenditure was £33 billion, with over £18 billion being used to employ staff. In the same year, the UK's universities educated and developed 2,300,000 students and generated £4.2 billion worth of knowledge exchange activities which demonstrates that universities have significant influence over a large proportion of the world's future leaders, so they have the moral imperative to lead society towards a more sustainable future (Adams et al., 2011; BUFDG, 2017). However, universities are increasing operating in a highly competitive environment mainly owing to the decrease of public funding and a subsequent demand by their stakeholders for the effective use of public funding and greater transparency of information (Adams, 2018b, Veltri and Silvestri, 2015).

The sector is crucial globally, and it is therefore important for key stakeholders to recognise just how much they contribute to our society (BUFDG, 2017). According to Adams (2018a, p. 333), "if universities can figure out how they create value, and develop strategies which reflect dependence on multiple capitals and a systematic approach to identifying broader risks and opportunities, they might stave off government intervention in their affairs and reduce reliance on flawed approaches to ranking". At a time when all organisations who receive public money, either directly or indirectly, are under pressure to explain how they use that money effectively and efficiently, it has never been more important to be transparent about how universities operate (BUFDG, 2017). Further, as governments across the globe are committing to 17 Sustainable Development Goals, universities have a central role to achievement of these goals and may be held to account.

Indeed, public sector organizations such as public funded universities are held to higher accountability expectations than the private sector because they are legitimated through public contracts are expected to be accountable to the general public and specifically to citizens as taxpayers because they use public resources to produce public value for a wide and complex range of actors and interests (Mauro et al 2020). While they depend on financing from students, governments, industry and alumni, they do not communicate how they create economic, social and environmental value to these providers of finance in a systematic way (Adams, 2018a). According to Adams

(2018a), few universities communicate how their business model utilises and transforms multiple capitals (people, buildings, natural resources, relationships with stakeholders, systems and processes, as well as finance) to create value.

Particularly, <IR> offers the potential to: shift mind-sets towards alignment of economic gains with societal and environment wellbeing; improve the quality of information provided to stakeholders; promote sustainable business practices; and to provide the opportunity for organizations to respond to the Sustainable Development Goals (Adams, 2015; Adams, 2017b).

Several institutions are supportive of the development of <IR> in HEI. In the UK, the British Universities Finance Directors Group (BUFDG, 2016; 2017) and Advance HE has assisted and encourage UK universities to adopt <IR>. Further, in 2016, the International Integrated Reporting Council (IIRC) and the Chartered Institute of Public Finance and Accountancy (CIPFA) with the support of the World Bank published an introductory guide to explain to public sector leaders and their teams how integrated thinking and reporting can help the sector consider through <IR> adoption, how to make the most of resources, encourage the right behaviours and demonstrate to stakeholders how they are achieving the strategy and creating value over the short and longer term (IIRC et al., 2016).

The IIRC Framework (2013) includes stakeholder relationships as one of its guiding principles to enable organisations to be responsive to matters which are important to stakeholders, including economic, environmental and social issues, which also affect the ability of the organisation to create value. Although an integrated report is not a marketing tool, a well-written report can help explain to key stakeholders in the Higher Education system how universities create value for them (BUFDG, 2017). It enables organisations to engage in telling their value creation story. The <IR> framework provides a principles-based mapping of the value integrators within a company. In clearly framing value creation in this way, the organisation has a better understanding of its value drivers and how and where value is created. <IR> can therefore drive organisational change toward more sustainable outcomes (Eccles and Krzus, 2014), and transform corporate processes (Phillips et al, 2011), resulting in the realisation of significant cost savings from issues ranging from systems design to energy expenditure.

<IR> is defined as 'a process founded on integrated thinking which results in a periodic integrated report by an organisation about value creation over time, and related communications regarding aspects of value creation' (IIRC, 2013, p.33). A sustainable society requires organisations, to have sustainable strategies, being those that create value for key stakeholders over the long term while meeting the needs of other stakeholders and not taking excessive or uninformed risks. (de Nuccio ,2020). <IR> facilitates the effective way of communicating an organisations performance in implementing a sustainable strategy to key stakeholders and acts as a discipline, through integrated thinking, to ensure the sustainable strategy leads to value creation in the longer term (de Nuccio,2020). According to the IIRC (2013), the integrated thinking and reporting cycle will lead to more efficient capital allocation, thereby enhancing financial stability and sustainability.

However, there are a range of social, economic, cultural, and organisational barriers to the production of an <IR>. For example, some studies have raised concerns about the ability of existing systems and processes to support <IR> (Macias and Farfan, 2017; McNally et al., 2017; Steyn. 2014; Stubbs and Higgins, 2014), resulting in high preparation costs (Chaidali and Jones, 2017) and impaired reporting quality (Chaidali and Jones, 2017; Gunarathe and Senaratne, 2017). The lack of clarity within the <IRF> regarding how economic issues should be integrated with social, and environmental matters, and difficulties in managing conflicting tensions between economic, social, and environmental issues in balancing interests of multiple stakeholders in decision-making is also apparent (Giovannoni and Maraghini, 2014; Lodhia 2015; Parrot and Tierney, 2012). Dumay et al. (2017) argue that an unclear definition of <IR> coupled with vague definitions of the key concepts of ’integrated thinking’ and ‘value creation’ are barriers to <IR> implementation. Additionally, some <IR> studies highlight a lack of clear guidance on measurement systems and metrics for integrated thinking and reporting (Dumay et al., 2017: Feng et al., 2017; Guthrie et al., 2017; Maroun, 2017; Robertson and Samy, 2015). These issues lead Dumay and Dai (2017, p. 574) to argue that ‘a fundamental problem with <IR> is that the IIRC argues ‘why’ companies need <IR>, not ‘how’ to implement <IR>, and especially not ‘how’ to operationalise integrated thinking’.

Kotter’s (1996, 2008) process for creating change is one of the most widely recognised models for change management and yet there are few case studies in the academic literature that enquire into how this process has been used in practice. (Baloh et al 2017; King et al. 2018; Wentworth, 2020).

In the introduction, <IR> is referred to as a journey which can be characterised as a change initiative which can be blocked at various stages (Dumay et al. 2017; Rinaldi et al. 2018). To start the journey and to overcome barriers to change in large organisations it may be necessary to pilot relatively small-scale initiatives to support major change (Campbell et al., 2011; Price, 1994). Kotter’s (1996) process is typically depicted as a linear sequence of eight steps which can be summarised as follows:

1) Step 1: Establishing a sense of urgency because of an established need for change is essential for organisational change to commence
2) Step 2: Creating the guiding coalition to drive the change

3) Step 3: Setting a clear vision for the transformation initiative is the first task of the guiding coalition Develop a vision and strategy
4) Step 4: Communicating the change vision, the reason for change and the change method
5) Step 5: Empowering broad-based change - obstacles to be removed, structures and systems changed, competence and training in general
6) Step 6: Generate short-term wins to support the achievement of the longer-term change goals. Opportunities for rewarding those implementing change and the celebration of achieving milestones also assist to maintain the momentum for change
7) Step 7: Consolidating gains and producing more change - leaders need to provide evidence that change is working, and the change process needs to be invigorated with new projects, themes or change agents to maintain the momentum for change
8) Step 8: Anchoring new approaches in the culture by firstly, demonstrating to employees how changes in approaches, behaviours and attitudes have resulted in improved performance, and, secondly, that the new approach needs to be embodied in the next generation of management.

This process provides a framework for analysis and presentation of the results of our action research project.

Methodology

Integrated Reporting (<IR>) is an integral part of the ISSUE project which seeks to promote innovative solutions to sustainability in higher education. However, achieving IR is not a straightforward journey for many organisations as was highlighted in the literature review.

With these barriers in mind, we chose an action-oriented methodology to support implementation and to provide an opportunity to explore the problems associated with the development of ITR practice in HEIs in five different countries in Europe. The study adopts an approach that is significantly different from other forms of academic research in that it does not intend to create objective findings which can be generalised, but rather it aims to generate practical knowledge and act as a framework to develop new understanding, aid the implementation of innovative practice (<IR>) and identify good practice (Whitehead, 2005; Hind et al 2013).

This field of action inquiry comprises a family of different methods and methodologies including, for example, action research, participatory action research, action learning, action science and several other variants (Reason and Bradbury, 2008). There are commonalities between approaches where each is characterised by a repeating cycle of action and reflection, not only changing knowledge through action but also changing action through reflection and learning. A second commonality is that the process is subject to change and redefinition as knowledge becomes refined and enhanced through practice and a process of development founded on both action and reflection. Third, action inquiry is a collaborative process which places the researcher into an action-oriented relationship with participants.

Action research was chosen as an approach that is specifically concerned with social change and, more particularly, with effective, permanent change. It can be traced to Lewin (1958), who believed that the motivation to change was strongly related to action and that if people are active in decisions affecting them, they are more likely to adopt new ways of doing things. In action research, knowledge is produced in the service of action (rather than theory) and the approach has been extensively explored for both individual and organisational learning (see for example Revans 1982,1998; Coughlan and Coughlan, 2002). Eden and Huxham (1996) argue that the findings of action research result from the involvement of members of an organisation over a matter which is of genuine concern to them, in this case <IR>. Positioned in contrast to traditional positivist research methods, there is a dual commitment in this methodology to study a system and concurrently to collaborate with members of the system in changing it in a desired direction.

Action research constitutes a rigorous and disciplined approach to knowledge and theory generation, intended to contribute to both the body of knowledge and to action in the service of addressing specific and real challenges. This was felt to be a particularly appropriate and relevant approach to use within the context of the ISSUE project as it engaged multiple actors in what could potentially become an organisation-wide reflective exercise with the possibility for building and enduring capacity for change to support< IR>.

This research may be further located in the interventionist research domain, where an intervention is seen as a response to a situation accompanied by an initiative to influence the situation (Baard, 2010). Interventionist research differentiates itself from action research through the notion that it occurs around one or more interventions, rather than requiring two or more research cycles. This study is based on a single cycle of action research resulting in the development of a pilot Integrated Report. In common with action research, interventionist research has two outcomes, that of a practice 'product' for the local context (the Integrated Report) and a knowledge contribution for the researcher (Baard, 2010). The researcher is often part of the organisation within which the research and the research process are taking place (Coghlan and Brannick, 2005) but also be an outsider sharing some responsibility for outcomes, providing useful knowledge to the problem solving process, whilst acting as a socially trusted outsider (Jönsson and Lukka, 2006).

The requirements of the ISSUE project need to create suitable conditions to address real organisational challenges in the field of sustainability reporting and to facilitate innovation to varying degrees in each HEI. The process needed to provide support and to collect reliable data for analysis to contribute to the broader body of knowledge about how organisations ‘do’ sustainability reporting. It required a collaborative relationship between participants and researchers within and across institutions. The lead researcher held some ‘expert authority’ based on their previous experience of < IR> which was transferred to research participants through a two-day workshop at the start of the process to introduce current theory and practice associated with <IR> development. The research design incorporated an element of coaching input by the research lead to support the implementation of the <IR> in each institution. Coaching can be defined as a process providing help to individuals, groups, and organisations through some form of facilitation activity or intervention (Beattie, 2014) and it has been aligned with action research in various contexts (see Ollis and Sproule, 2007; Hagen, 2010 as examples).

The action research process was outlined to research leads in each HEI and individual templates were developed to provide a structure for thinking, planning, and data collection. These templates supported key elements of the <IR> process including development of the Business Case for <IR>, stakeholder analysis and planning the action research project in each institution. The IIRC framework provided further information resources to support the development of the <IR>. Further data associated with the process was collected through reflection with participants at regular web-meetings and through an evaluation questionnaire at the end of the first cycle of action research.

Results

Step1: Establish a sense of urgency

The first stage in Kotter's eight step process is to create a sense of urgency and an awareness of the need for change. Kotter notes the failure to create a sense of urgency to be the single biggest error made when trying to change organisations. He suggests that change is often thwarted by complacency where few people see the need for change or are interested in working on the change problem. With urgency low, it is difficult to put together a group with enough power and credibility to guide the effort. Overcoming this complacency, rather than a desire for change, has been identified as more likely to be the norm in established organisations and considerable effort may be required to motivate organisational personnel to invest their time and effort and to put up with the inconveniences of change (Ansari and Bell 2009).

Whilst senior executives provide the strategic framework for action in an organisation it is often the middle managers in large organisations that foster and drive through innovations (Moss Kanter, 1983). Innovative ideas often require a champion from the lower levels of the firm (i.e. not board level) who is close enough to the necessary sources of information to help the idea achieve innovative results (Robertson, 2021). A sense of urgency was apparent to a lesser or greater extent in each of the HEIs participating in the study. Some had explicit support from executive management for the development of an <IR>, others had executive support to pilot the approach largely as a research endeavor. Each institution developed its own business case which made a persuasive argument for Integrated thinking and <IR>. When reflecting on the development of the Business Case it became apparent that most universities had already undertaken considerable and sustained analysis of the external environment and used this intelligence to pursue sustainability related goals in their teaching, research, and operations for several years. In some HEIs, sustainability was a key driver of activity embedded in all aspects of organizational activity whilst in others there appeared to be gaps between supportive rhetoric, clear coherent strategies, and the reality of sustainability in teaching, research, and operations.

Several participants in the research were driven by the appealing notion of producing a single integrated report to satisfy the needs and requirements of several key stakeholders and the reporting requirements of various bodies. However, arguably the major driver of urgency within this overall context were the demands of an externally funded project and peer group pressure amongst a transnational partnership that provided the small teams producing the pilot integrated report in each university with a clear sense of urgency and motivation to act. Whilst recognizing that this would not have happened without the support of an executive coalition of very senior leaders at the institutional level, it was left to the middle managers to create a sense of urgency and initiate a guiding coalition.

Step 2: Create a guiding coalition

The second step in Kotter's process involves forming a group who have enough power to lead the change. Guiding coalitions for the development of the pilot integrated report were created at different levels in each institution. Each institution's executive management, rector or dean championed and supported the project. They provided legitimacy and strategic direction for a 'core group' that was established in each HEI to design and to drive forward the development of the pilot <IR>.

The core group in each HEI varied in composition, capacity, and number. In most instances the small core group of between two to five senior academics was tasked with producing a pilot <IR>. This group often contained members who were passionate about sustainability, drawn from a range of disciplines and interested in the potential application of Integrated Thinking and Reporting in their own institutions and further afield. Executive leaders generally exerted a light touch on the thinking and reporting processes underpinning the development of the pilot <IR>. However, this group became more involved as the first draft of the <IR> was produced and reviewed. In all institutions, executive leadership support was critical in providing the vision and strategy that enabled the production of a pilot report. In addition, the executive coalition was a key source of support when roadblocks in terms of for example barriers to data collection and sharing had to be overcome.

Step 3: Develop a vision and strategy

Each HEI already had visions and strategies which reflected the sustainability agenda to varying degrees. These provided reference points to guide a variety of actions at the tactical and operational levels regarding the implementation of Integrated Thinking and <IR>. Whilst the visions and strategies were many and varied and unique, reflecting the individual organisational context, they all provided a supportive strategic context for the development of a pilot <IR>.

The guiding coalition in each university formulated a vision for the development of the <IR> which was associated with raising awareness and understanding of the sustainability agenda and promoting innovation through the application of Integrated Thinking and Reporting. This vision was generally accepted by executive leaders and many other internal stakeholders as it aligned with the trajectory of travel towards innovation and sustainability in each institution. However, it is important to note that production of the <IR> was an emergent part of the wider strategy in the participating HEIs rather than the strategy itself. Having said this, at least one of the participating HEIs used the process of integrated thinking to revisit and revise its vision and to refine its overall strategy at the School level. The experience is a good example of an emergent rather than a planned approach to strategy (Mintzberg, 1994).

The action research methodology combined with project planning encouraged the development of an action plan to complement the vision and strategy in each organization. This provided a formal plan to guide implementation and was generally accepted to provide a useful tool, enabling each institution to map out its approach to data gathering, analysis and production of the <IR>. Templates were also used to support the mapping of key stakeholders.

Step 4: Communicate the change vision

The fourth Stage in Kotter's change process is to communicate the vision for change. However, he notes that managers often underestimate the amount of communication required to develop a consistent understanding, an effort which may be hampered by inconsistent messages, and lead to a stalled change implementation (Kotter, 1996). Participants reported that the action research methodology and the associated project planning when combined with the vision established in Step 3 provided a useful framework for the communication of 'the <IR> project'. In this instance, a targeted, planned, incremental approach was adopted to communicate the change vision and to engage members of each organisation in the <IR> development process.

Materials, in the form of a PowerPoint presentation were used to communicate upstream to executive leaders to provide an opportunity for them to influence the implementation of the project and support project governance. The vision and action plan were also communicated 'downstream' to other key internal stakeholders, particularly those who held data that was central to the value creation narrative. This involved considerable boundary spanning activity as the core team worked with others in different departments and schools to compile the data to support the development of Integrated Thinking and the strategic narrative. In this way, awareness and understanding of the <IR> was supported through active involvement in the process by many members of staff.

Step 5 Empowering broad-based action

The fifth stage in Kotter's process involves removing obstacles to change, changing structures or systems that undermine the vision whilst at the same time encouraging innovative ideas (Kotter, 1996).

The materials (in the form of MS PowerPoint presentation) enabled each institution to map out its vision and approach to data gathering, analysis and production of the <IR> so that it was understandable to all involved. The Core <IR> team in each institution identified the information that was required and a range of 'data holders' that could provide it. Regular team meetings amongst the core project group and influential stakeholders created first drafts of the value model, monitored progress, and helped to identify any remedial action necessary or further opportunities for iterative development.

In many cases, senior managers in relevant departments were engaged and briefed about the project and were made aware of what was being asked of their staff. This line-manager support was often crucial in overcoming barriers to data collection and sharing. Core team members navigated organisational hierarchies skilfully and identified and engaged relevant stakeholders and, in this way, they managed to remove structural barriers associated with data collection and sharing. In some instances, the data was readily available, in others it required considerable mining, cleaning and analysis before it could inform Integrated Thinking and Reporting. In some instances, the data was centrally held in others locally. The core team talked to each unit individually and negotiated what data could be shared and when by. In most instances the core team did not have the authority to remove blockages but through persuasiveness, persistence, and discretion they were able to overcome barriers. Where they were unable to do so, the core team had access to the executive coalition who could and for the most part did resolve such blockages.

The interactions between the core team, the senior leadership team and the myriad of data holders required to contribute to an <IR> inevitably engaged many people in the production process. Whilst a vast majority engaged positively a small number in each organisation were not able or willing to contribute within the first cycle of action research. The most common reason cited for limited or non-engagement was the 'pressures of other work'. Active encouragement from senior management helped to overcome obstacles of this type most of the time although some continued to struggle to collect and share data and knowledge in a timely fashion.

Step 6: Generate short-term wins

Short-term wins helped to demonstrate the viability of change and to build momentum for change. Kotter (1996) identifies that short-term wins need to be visible; unambiguously successful; and clearly related to the direction of change. Although not all researchers consider short-term wins to be a significant element in all change programs (Ansari and Bell, 2009), they did play a part in this project generating the momentum necessary to start the <IR> journey and to maintain the momentum to underpin the integrated thinking required to produce a pilot <IR>. Examples of short-term wins include audits of curriculum to identify sustainability content, value added through surfacing and communicating examples of good practice and identification of gaps in data collection systems, particularly for non-financial information.

The successful Erasmus+ project proposal (with associated income generation) provided resources to support the development of a pilot <IR>. This can be viewed as a quick win as it freed up staff time away from teaching to start the <IR> journey. The Core team's role was critical in identifying and communicating short-term wins, providing feedback to the executive coalition and a range of managers and data providers which enabled them to see how their contributions supported the narrative being developed in the <IR>. The development of a pilot <IR> in each HEI may be viewed as a short-term win of its own accord. It was something new to all the HEI partners participating in the ISSUE project and has provided a ‘worked example’ of integrated thinking and reporting and a foundation for further development.

Step 7: consolidate gains and produce more change and Step 8: anchoring new approaches in the future

As the first cycle of action research reached a natural conclusion with the production of a pilot report, the challenges moving forward are reflected in steps 7 and 8. The pilot was viewed as a success by the executive coalitions in each university who sanctioned further work to continue to develop the pilot <IR> towards publication. Dialogue has been established with other influential stakeholders and the pilot is informing the thinking of relevant business units including Corporate Communications, Quality and Sustainability Offices in the HEIs. The analysis and integrated thinking underpinning the development of the pilot <IR> has identified gaps and opportunities to be further developed in a second iteration of the pilots.

However, the extent to which it the <IR> is seen to be a truly innovative approach or as a necessary way forward is mixed. In some HEIs, the institutional leaders are committed to the publication of an Integrated Report aligned with the requirements of the IIRC, in others the HEI’s continue on a journey to ‘integrate reports’ drawing on but not fully reflecting the IIRC guidelines. In several HEIs the further development of the Integrated Thinking necessary for the <IR> is contested and there are tensions between top down and bottom-up approaches to strategy and innovation. The Integrated Thinking and Reporting process has supported the recognition of the value of new performance indicators and provided evidence of impact on the sustainability agenda which need to be consolidated.

There is some evidence of anchoring Integrated Thinking and <IR> in the future (step 8) with new governance structures being established in some HEIs and existing structures being modified to oversee and steer the IR journey. In the longer-term, Integrated Thinking and Reporting is expected to foster a culture of collaboration and integration between different parts of the HEIs academic (research and teaching),operational and administrative areas.

To summarise, the following table highlights key learnings from the project:

What worked well	**Key Learning**	**What difficulties were encountered**	**Key Learning**
Senior Leadership backing	Support from the top must be championed to ensure the success of a project	Access to data	Systems may be manual, unintegrated, and fragmented. However, highlighting this can increase awareness of steps to improve the situation
Knowledgeable core team committed to the production of a pilot report	Training team members on integrated reporting and providing expert support will	Infographics capability	It may be useful to have an infographics expert on the project team or for an expert to

	improve the project outcome		provide training
Development and Agreement of a value creation model	Spending time considering how your organisation creates value enhances organisational awareness, focus and goal/ strategy setting.	Engagement of internal and external stakeholders (mostly limited by time, resources and competing priorities)	A project team dedicated purely to the project will ensure focus on the project with no competing constraints
Kick-started additional actions to support sustainability	IR highlights what drives sustainable value allowing organisations to consider further measures required to enhance value	Resources for design and presentation of the report	To save on time and resources, many organisations may wish to consider using independent report designers due to the expertise required in this area.

Discussion: Implications for Practice and Research

The eight-step process provides a clear indication of the actions to be taken to encourage change in an organisation and, when combined with action research and project management, it provides a vehicle to translate the high-level IIRC framework into practice. Some participants who had not previously led change initiatives found the process a useful reference point when planning <IR> implementation. These findings resonate with those of Day and Atkinson (2004) who identified the role that Kotter's process can play in raising personal awareness about the range of factors that can be considered throughout a change programme.

Whilst many of the change initiatives adopting Kotter are reported to be successful, many have been characterised as failures (Jones et al, 2019). The eight-step process is clearly not 'ideal' and our experiences reflect criticisms in the existing literature. For example, Kotter (1996) states that the steps should be completed in a linear fashion and to skip steps will not produce a satisfactory result. Our experiences suggest that the process is much more iterative in nature with steps feeding forwards and backwards at various points in the process. An example of this was the generation of short-terms wins (step 6) in the form of a successful Erasmus+ project proposal (with associated income generation) that provided resources to establish a sense of urgency (step 1) and a vision for the change initiative (step 2) that was refreshed following the production of the pilot <IR> (Step 6).

Kotter also advises against making mistakes in any of the phases and warns that this will slow momentum and negate previous gains. Whilst in an ideal world mistakes would not happen; they often provide a foundation for learning and improvement of practice (Jones et al. 2019). All the participants assessed risks, managed problems as they arose and successfully navigated the process to develop a pilot report. In some instances, 'mistakes' were made through, for example, contacting a member of staff to collect data without informing their line manager. The core teams learnt from these experiences and adapted practice to ensure that the chances of them happening again were minimised. Our experiences reinforce the findings of other researchers noting a lack of flexibility to deal with the vast assortment of problems and issues that may be experienced during change (Sidorko, 2008). They also surface the democratic nature of some organisational change which are not adequately reflected in the Kotter model (Reissner et al. 2011).

The Kotter model and research associated with the implementation of <IR> generally identifies the key role that leadership from the top plays in successful change initiatives (Kotter, 1990). Indeed, senior management support was perceived as a critical factor for successful IR implementation in research conducted by Lodhia (2015). Senior executives must send clear signals to various parts of the organisation about the importance of new initiative to focus efforts toward the realization of organisational benefits, and lend credibility to functional managers responsible for its implementation and use (McGowan and Madey, 1998).

Emergent strategy as practice - discourse-based change management assumes that change cannot be managed in a linear, controlled, and top-down manner. Instead, it emphasizes that communication is an important lever to manage change and that this lever is not just available to a specific group of people but to a much wider group.

It has been claimed that emergent strategy and other change management processes describe what must be done but provide little detail in how it should be achieved (Pfeifer et al. 2005, p.297), and that it is not sufficiently detailed to guide change management in all situations (Appelbaum et al. 2012, p.775). The core project team in each institution demonstrated several core competencies required to develop an <IR>. All were able to present the business case for the introduction of <IR>, explain the fundamental concepts of value creation and describe the factors that contribute to the successful implementation of <IR>. The core team were able to work with key internal stakeholders to apply the fundamental concepts of value creation, the capitals, and the value creation process and to participate effectively as part of a team planning and coordinating the implementation of integrated reporting within their organization.

The evidence shows that breaking down internal silos creates the conditions for increased cooperation, the cross-fertilization of ideas and new value-adding initiatives that can lead to new products and service lines (IIRC, 2020). However there remain inhibitors to the production and publication of an <IR> that need to be overcome if the initiative is to be sustained. For example, contested ground is associated with the extent to which the reports should be aligned with the IIRC, the nature of the information to be disclosed to external stakeholders (including assessment of risk), the selection of key performance indicators and the practical considerations associated with what to include and exclude from an <IR>.

Conclusions

This paper sought to consider the role that *Integrated Reporting* (<IR>) can play in strategic planning and in enhancing connections between management practice, value creation and reporting. The distinguishing characteristic is not whether the change was linear or cyclic, or whether it was top-down or bottom-up change. The distinction being made is between viewing change as one cohesive process or the sum or many coordinated Processes. In most HEIs there are many different stakeholder groups involved in delivering change; from the many guiding coalitions to project teams delivering individual pieces of work. These different groups start the change process at different times, and multiple concurrent instances of process are needed. To engage with stakeholders required context-sensitive communications Kotter's description of the Process does not make explicit allowance for this. Nonetheless, the Eight Stage Process was found to be an accurate description of the change process at the individual group level.

However, these criticisms need to be tempered by Sidorko's (2008, p.316) observation that "…no single model can provide a one-size-fits-all solution to organisational change."

The Process was also used to facilitate change in an aerospace industry study presented by Day and Atkinson (2004). In this case, the Process was used as a planning tool and to communicate the nature of the change to procurement functions in the early stages of the change program. However, the practitioners in this case study had limited success using the Process as a guide for future action, finding the Process to be of "…limited use over and above the raising of personal awareness about the range of factors that are to be considered throughout a change programme…" (Day and Atkinson 2004, p.266).

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