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A Functionalist Perspective of Environmental Disclosure and Accountability

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ABSTRACT

The purpose of this paper is to provide greater insight into environmental accountability and disclosure from a functionalist perspective. Discussion of the utility of information supplied by corporations to discharge accountability is dependent on societal attitudes to the function of the corporation in society, corporate environmental responsibility and the issue of economic growth. Similarly, the usefulness of environmental information is predicated on perceptions of society as to the importance of environmental issues. The polarisation and politicisation of opinion regarding global warming denies scientific evidence and compounds issues of accountability and disclosure. A postal questionnaire was used to determine societal attitudes to key aspects of corporate functionality, accountability and disclosure. Questionnaire participants were drawn from three categories of society; shareholders, environmentalists and shareholder / environmentalists. Results indicate that the majority of respondents believe the function of the corporation in society is economic and social but there is a significant difference between shareholders and the other user groups. The preferred option of respondents regarding environmental accountability is for companies to be in advance of law and opinion. The sustainable development position, described a continuum, is supported by the shareholder and shareholder/environmentalist groups. The survey research method adopted in this paper suffers from the stated perceptions of respondents rather than attempting to reveal attitudes via alternative approaches. This study demonstrates that there is an attitudinal change towards corporate responsibility that will necessitate re-evaluation of corporate disclosure and accountability.