JUST A PAPER TIGER? -
EXPLORATION OF SUSTAINABILITY REPORTING AS A CORPORATE COMMUNICATION INSTRUMENT

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Abstract

One corporate communication instrument which is now gaining its popularity is the sustainability reporting. The advantages and possibilities of communicating with a sustainability report (SR) are often discussed in a more theoretical view, but a few empirical analyses regarding this are now being conducted. This paper concentrates on the empirical analyses of communication process between companies and their stakeholders with the help of SR. The questions that emerge in this regard are: Who reads sustainability reports? Can sustainability reporting be an all-purpose tool in the effort to attract and manage the interests of various stakeholder groups? Or is it just a matter of joining the trend by producing sustainability reports rather than finally using them to achieve corporate goals?

Two case studies were conducted (Deutsche Telekom AG and Weleda AG) by interviewing managers and stakeholders of both companies during September 2003 and January 2004.

The results of the research show that the communication with an SR can only be successful, not only by producing a detailed, clear and structured report, but also most importantly by improving the engagement with the SR.

Keywords: Sustainability reporting, corporate communication, communication instrument, stakeholder management

1 Introduction

Since the Rio-Conference in 1992 corporations are increasingly challenged to constructively deal with the vision of sustainability and to contribute to it. Apart from the rather theoretical debate on corporate ethics in the fields of the social science, business administration and management theory (among others, see Beschorner et al. 2004, Leisinger 1997), several practical approaches to management are also discussed. For example, comprehensive international and policy-oriented approaches which concentrate on the relationship between the company and society are of growing importance. The Global Compact was established as the first global forum to address critical issues (e.g. principles of human rights, labour standards and the environment) related to globalisation (Global Compact 2001). Approaches based on the ideas of 'Corporate Governance' (e.g. Theisen 2003, Witt 2000.), 'Corporate Social Responsibility (CSR)' (e.g. Commission of the European Communities 2001, 2002, Witt 2000, Theisen 2003) or 'Corporate Citizenship' (Schrader 2003) are often discussed separately, but they seem to possess common origins - at least when discussing the relationship between the company and society (Pfriem 2004). In all concepts the company plays a central role in civil society: It has rights which it can claim, but it must also fulfil its obligations so that a community may function (Schrader 2003:9ff, Matten and Crane 2004). Herewith, the company has its part in the social control; an approach that goes beyond the classical micro-economic schemes "in which product efficiency dominated and communication intelligence was of peripheral importance." (Pfriem 2004).

Based on the analysis of the theoretical and practical discussions of different approaches to corporate sustainability management, it may be concluded that both the essentials of the company's sustainability management system and the sustainability communication system is becoming more important. However, summarising the above examples, it seems that communication within the company and between the company and society receives a clearly stronger value as a new-art management task. In this regard, a sustainability report (SR), which nowadays is considered as a special corporate communication instrument, plays a very important role in presenting a clear

picture of corporate values, principles, and performances in all aspects of sustainability, as requested by the stakeholders. SR is being a significant part of company's relationship with the internal and external stakeholders (Dozier et al. 1995, Merten 1994; Klaffke and Krick 2002; Bruhn 2003; Eberhardt 1998; Kim 2003).

Against this background, it is not surprising, that the number of registered sustainability reports is increasing worldwide from year to year. Whereas in the year 2000 there were only 29 sustainability reports registered, the amount raised in 2002 to 98 registered reports (CorporateRegister 2004, 2004a). In addition, stakeholders' demand for transparent information about the company in the economic, environmental and social dimensions seems to grow (imug 2003).

The advantages and possibilities of communicating with an SR are often discussed in a more theoretical view, but a few empirical analyses regarding this are now being conducted. This paper concentrates on the issue of communication process between companies and their stakeholders with a sustainability report. This urgent matter needs to be first explored before one speaks about the real advantages or disadvantages of sustainability reporting. The objectives of this paper are to learn about the stakeholders' acceptance of the SR and also their perception and behaviour towards the company after having read the company's sustainability report. This is illustrated in this paper on the base of interviews with stakeholders of two German enterprises. In addition, the reason for using two different business cases is to enable looking for differences in communication strategies and their implications. The questions that emerge in this regard are: Who reads sustainability reports? Can sustainability reporting be an all-purpose tool in the effort to attract and manage the interests of various stakeholder groups? Or is it more or less a "paper-tiger", and just a matter of joining the trend by producing sustainability reports rather than finally using them to achieve corporate goals?

This study focuses on corporate communication and adopts an explorative research approach based on empirical analyses. As a methodological approach of this research, a heuristic communication framework that represents the research method in Section 2 as well as the method of the empirical analysis is utilised. Section 3 presents the different views in the communication process through sustainability reporting which are based on the developed communication scheme featured in Section 2. Some recommendations of the findings in the empirical research are discussed in Section 4.

2 Research approach and method
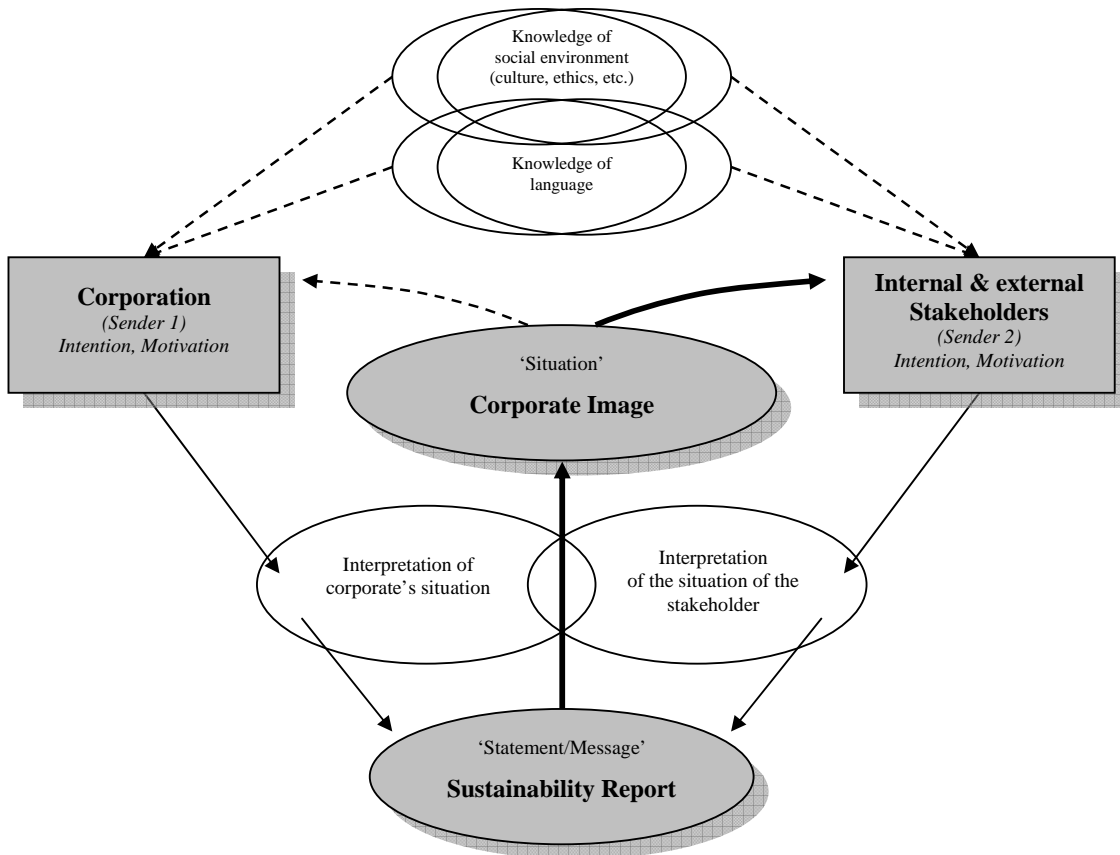## 2.1 Communication approach as heuristic framework

This study focuses on the communication process between companies and their stakeholders via SR (to stakeholder theory see e.g. Freeman 1984; Hunt and Morgan 1994; Gummesson 1996; 1997; Chuang 2004; in regard to enviromental management issues see Dyllick/Belz/Schneidewind 1997; Schaltegger and Sturm 1992; Dyllick 1990; and Achleitner 1985). To consider this, there are a variety of communication theories and definitions developed by different authors (among others see Maletzke 1963; Zerfaß 1996; Bruhn 2003) that can be traced back to research about communication in various scientific disciplines (Kirchner 2001:79). Each discipline claims that several aspects of communication are part of their field and create their own definition of communication. As a consequence, a jumble of definitions and approaches emerged, often contradicting each other (Merten 1977:9).

Basically, there are two models that could be considered: one-sided, purposeful communication (asymmetric) and two-sided or reciprocal communication (symmetric) (Maser 1971:9-13; Naschold 1973; Merten 1977; Krippendorff 1994; Kotler and Bliemel 1995). This differentiation refers to the activities of the sender and receiver or to the goal of the communication, whether communication is only seen as a process to transmit information or also as a sense-producing process (Merten 1977:40).

In contrast to the one-sided communication model, the so-called two-sided/reciprocal communication model depicts the actual process of understanding between dialogue partners. According to Schulz von Thun (1994), two-sided communication involves concurring cognition in a

sense of knowledge, experience or valuation between the communication participants (sender and receiver), which enables the signal transmission to take place. In addition, in his definition of a two-sided communication, both communication participants play an active role. The dominance of the sender is replaced by symmetry, involving both participants equally (Schulz von Thun 1994:140). Using the illustration of a communication model by Linke et al. (1996) the two-sided communication process can be seen in figure 1:

Figure 1: Communication scheme with a sustainability report

Source: adapted from Linke et al. 1996, see also Prakke 1968.

This communication model from Linke et al. is adapted and utilised in this research as a heuristic framework to explore the communication process with an SR. In this model, sender 1 (Corporation) and sender 2 (Stakeholder) have a partly concurring knowledge of their social environment (i.e. cultural and ethical background) and a comprehensive, corresponding knowledge of language. The physical, social and psychological dimensions of the joint communication situation is individually processed and valuated. Therefore, both speakers interpret the situation differently (but some interpretations also correspond). Statements are formulated or understood on the basis of the speakers' intentions and interests and the interpretation of the situation. As soon as it is formulated, each statement is part of the joint situation, which is altered by this statement (indicated by the arrow that interconnects 'statement/message' and 'situation' in Figure 1) at the same time. Thus, communication can be understood as a reciprocal preparation of such statements or signals. The communication partners perceive communication differently, based on their knowledge of the social environment, their individual competence and their own interests and ideals, which is mostly accentuated with different meanings. Thus, information is processed differently.

In comparison with other communication models, at least three aspects of communication via SR are displayed, which go beyong a simple cause-effect-relationship of the communication process:

The communication is seen as a reciprocal bargaining process, in which the meaning of the communication content is actively created. The model also considers the individuality and the cognitive background between sender 1 (Corporation) and sender 2 (Stakeholder) in a communication process. The cognitive background is essentially based on prior knowledge, interests, values, beliefs, etc. and substantially determines how information is perceived and interpreted.

Usually communication processes go through different phases (Kim 2003; Maletzke 1963; Luhmann 1971). In order to be able to portray the communication process between a corporation and its stakeholders, the above presented static communication model will be implemented in this study based on the three communication phases (Maletzke 1963:147, Kim 2003:15): the pre-communicative phase, the communicative phase and the post-communicative phase (see section 3).

The interviews with the companies` managers aim at gathering information about the companies` understanding of sustainability reports in general and the companies` stakeholders (pre-communicative phase). The motives and goals of sustainability reporting and the development process of the report are explored (communicative phase). The interviews with stakeholders are aimed at gathering data about the stakeholders' view of the sustainability report and the company (pre-communicative phase), their acceptance of the contents of the report and, lastly, their perception of the corporate image (post-communicative phase).

2.2 Methodological Approach
2.2.1 Choosing the Cases: Deutsche Telekom AG and Weleda AG

The research is based on two explorative studies of selected German companies. This is because German industries and the government put great emphasis on sustainable development, where sustainability reporting is considered to be an important part of the implementation of the vision of sustainable development, and German companies were third to UK and USA companies in submitting reports (CorporateRegister.com 2004b).

In choosing the enterprises, **accessibility** was an important factor. Several corporations listed in **"best of class"-** rankings (SustainAbility/UNEP 2003; Clausen et al. 2001) were contacted in order to find out if they were willing to be part of this research. For this kind of sampling process speaks as well that sustainability reporting is not an instant process, but rather the result of **years of a company's experiences** and activities in sustainable development. For this reason, two experienced companies out of these rankings seemed to bring the best insights to our research question. Another factor in choosing the enterprises was that both should **represent different markets** and, if possible, different consumer sensibility in regard to their products.

For that reasons, the Weleda AG was chosen as an example of an enterprise that operates successfully in an international niche-market, which is identified by a high potential consumer acceptance and sensibility, which finally leads to a high trustworthiness of the company. Weleda AG was established in 1920 and is actually headquartered in Dornach/Switzerland. The German headquarter is in Schwäbisch Gmünd. It is a company group operating Europe-wide in the health care sector. Weleda bases its activities on anthroposophy and develops and sells medicine, dietetic and personal hygiene products (Weleda 2004a). In Schwäbisch Gmünd alone, Weleda employs 632 employees and had a turn-over of 88 million Euros in 2002 (Weleda 2003). In product testing, Weleda received many appraisals, e.g. by German consumer protection agencies "Öko-Test" and "Stiftung Warentest" According to a consumer interview from Reader's Digest regarding "European Trusted Brands 2002", it belongs to one of the top three of skin care brands which the German consumers trust. Weleda is very concerned with nature protection and has since 1996 an environmental management system according to the requirements of the EG-Eco-Audit regulation and the world-wide valid environmental management norm ISO 14001.

The other company of this research is the Deutsche Telekom AG. It was chosen as an example of a large company that operates successfully in an international and highly competitive, technology-driven market. The Deutsche Telekom AG is one of the world's leading telecommunications and information technology service providers, headquartered in Bonn, Germany. The corporation is

represented in 65 countries around the globe (Deutsche Telekom 2004). It employs approximately 249,000 employees worldwide and its turn-over was 55.8 billion Euros in 2003 (Deutsche Telekom 2004a). The Group is committed to the principles of sustainability and uses economic, social and ecological criteria as the basis for its actions. Telekom's vision is to network society for a better future as a telecommunications and information technology corporation, and to serve customers with top quality, efficiency and innovation in every respect (Deutsche Telekom 2004b).

2.2.2 Sampling of interviewees

Principally, the sampling of interviewees (managers and stakeholders) was conducted by a mix of non-random and random method. To identify the relevant stakeholder groups, both companies were asked for a list of stakeholders that should be the addressees of their sustainability reporting. The list should be divided into the various stakeholder groups identified. Regarding the relevant managers, Deutsche Telekom and Weleda both stated that there is only a small population of managers (5 managers at Deutsche Telekom and 8 managers at Weleda) who were actively involved in producing the company's sustainability report.

The way of determining the population of the company stakeholders as data sources made it possible to test whether the stakeholders actually understand themselves as part of the correct sustainability report target group. At the end of August 2003, both companies provided stakeholder lists with some information about the stakeholders. Deutsche Telekom listed 88 stakeholders, divided into 11 important groups and Weleda named 152 stakeholders, divided into 13 important groups, which could serve as data sources. The aim was to interview a couple of stakeholders from each group and from each company. Considering additionally time and budgetary constraints, it was estimated that 50 interviewees per company would roughly allow an average of 4 representatives in each group. These representatives were selected randomly. At the end 44 Telekom stakeholders and 48 Weleda stakeholders were selected and interviewed:

Table 1: Stakeholders interviewed in Deutsche Telekom-Case

- Employee (6)
- Financial service provider (6)
- NGO-Customer protection (1)
- Authority (3)
- NGO-Union (2)
- NGO-Environmental group (4)
- NGO-Politics/Agenda 21 (4)
- Press agency (4)
- Industrial consultant (5)
- University/Research institute (4)
- Rating agency (5)

Table 2: Stakeholders interviewed in Weleda-Case

- Employee (4)
- Financial service provider (4)
- Customer (4)
- Authority (4)
- NGO-Union (4)
- NGO-Environmental group (4)
- NGO-Politics/Agenda 21 (2)
- Press agency (4)
- Industrial consultant (4)
- University/Research institute (4)
- Health insurance company (1)
- Supplier (5)
- Advisory Board (4)

In a next step, a fully structured interview was chosen as a means of data collection. It consisted on the one hand of closed questions, to enable to analyse and compare the statements of the various stakeholder groups statistically and on the other hand of open ended question, which should provide some detailed qualitative data, that help to explore the recipients' understanding and suggestions regarding the enhancement of the report. This questionnaire had been tested at the Institute of Forest Economics in Freiburg in August 2003.

Before the interviews were conducted, an invitation letter along with a sustainability report of respected company was sent to each external stakeholder of the two companies. Afterwards, appointments for interview were made and the interviews could take place. 49 Telekom respondents (managers and stakeholders) and 56 Weleda respondents (managers and stakeholders) were interviewed by telephone between the end of September 2003 and mid-January 2004.

The data gained from the interviews is analysed by using content analysis and quantified with frequency distribution and contingency coefficient.

3 Results

3.1 Pre-communication Phase: Prior Attitudes towards the Issue of Sustainability and the SR

Main results:

The senders of the SRs (company managers) primarily mentioned the obligation of each company to publish an SR, thereby proving its sustainable management approach and making it verifiable. Especially the criterion of transparency is repeatedly emphasised as a commitment of the managers towards their stakeholders. The possible marketing character of the SR is only pointed out occasionally though. This is somewhat surprising, in view of the considerable amount of resources dedicated to the compilation and production of an SR. Nevertheless, the majority of managers stated that the main goals of the report are to improve the stakeholders' attitude towards the company's image. Thus altogether, distinct, positive marketing effects are stated as expectations on the effectiveness of the SR. The hope is often mentioned that the reading of the SR might lead to changes in the stakeholders' behaviour beyond the image perception change.

The stakeholders generally have a positive attitude towards the SR – more than 85% stated that they are interested or even very interested in SR. However, inquiries about concrete expectations associated with the reading of the SR yielded no specific results. A broad and rather unspecific answer was that an SR should provide "information about the sustainable management and/or production of the company". Very rarely is a lack of interest in the SR explained with the reference towards the current fashion of the buzz word "sustainability", or the claim that companies use it as an alibi to legitimise their traditional management and resource use practices.

In the vast majority of cases, the opposite effect can be observed: the current huge interest in sustainability is the reason that stakeholders devote their attention to SRs. Generally, stakeholders have a great deal of trust in the respective SRs. Despite several Telekom respondents who mentioned that the information in Telekom's SR was not trustworthy, generally, most of Telekom's and Weleda's stakeholders could trust the information in companies' SR: In the case of Telekom, 71.4% out of 28 respondents stated that the information in Telekom's SR was trustworthy, whereas 14.3% said more or less trustworthy. Meanwhile, 14.3% mentioned that the information in the report was not always trustworthy or even absolutely untrustworthy. In the case of Weleda, almost all of the respondents (96.7% from 30 stakeholders) stated that the information in Weleda's SR was trustworthy, whereas 3.3% mentioned that the information in the report was more or less trustworthy.

Concerning the issue of feeling of being as addressee of the report, in the case of Telekom, 59.4% out of 32 stakeholders felt as addressees of Telekom's SR. Meanwhile, 31.2% only felt neutral in their position towards Telekom and the other 9.4% stated that they did not feel like stakeholders or addressees of the report. In the case of Weleda, 80% out of 30 stakeholders felt as addressees of

Weleda's SR. Meanwhile, 16.7% only felt neutral in their position towards Weleda and the other 3.3% stated that they did not feel like stakeholders or addressees of the report. Particularly the rate of over 40% for Telekom, but also the 20% for Weleda are somewhat surprising, since the whole sample of interviewees had been given by the companies of who the companies perceived as their stakeholders. Those figures are even more significant, if one takes into account that hardly any interviewee had read the SR prior to contact, but instead only had had a look at it because of the agreed and upcoming interview.

Case specific conclusion:
Despite a rather small willingness to engage with the content and the arguments of the SR (see above, see below), the large majority of the stakeholders view themselves as addressees of the reports and emphasise the importance of it. Therefore, the basic preconditions for a successful and effective communication via SR with most stakeholders are rather good. Not feeling addressed by the report has severe consequences on the effectiveness of communication, which might be either far more difficult or will not even take place at all.
In this respect, it is interesting to observe the huge discrepancy between very high and optimistic expectations of managers towards the publishing of an SR on the one hand, and the rather low and unspecific expectations towards the SR on the side of the addressees. They often have neither any understanding of what an SR should comprise, nor can they state what the main goal or intention of the reports has been. They just vaguely place it as something in-between a collection of reports/data and a pure advertising brochure of the company.

General conclusion:
It can be reasoned that the unclear expectations of the readership towards an SR – which could either be understood as mirroring the unclear vision of the senders, but that could also result from unfamiliarity with this tool – leads to a rather cautious and careful approach to it. This certainly reduces the effectiveness of the communication process: in most cases the report is not read. The research shows that many stakeholders have a clear and pronounced interest in the topic of sustainability and sustainability reporting, which could be seen as optimal preconditions for the communication process. Nevertheless, the report is either quickly browsed through, or only consulted because of the upcoming interview. It has to be said that hardly any of the interviewees had read the SR before they were contacted, but most stakeholders only used the announced interview about the SR as a reason for reading it. In both cases some potential interviewees refused to read the report at all. Despite this fact, there are many vague statements of stakeholders, who underline their interest in SR and its positive contribution towards the image of the company. This leads to an overestimation of the possible effects of such a report by the sender.

3.2 Factors determining the interest of the stakeholders in the particular SR prior to communication

Main results:
Various factors influence the willingness to engage with the report. The research takes a closer look at the variables "interest in SR", "trust in the company" and "feeling of being an addressee of the report" and looks at how far these variables are correlated to the "percentage read of the report".
In the case of Telekom, the values of the contingency coefficient for the variable "interest in SR", "trust in the company", and "feeling of being as addressee of the report" to the variable "percentage read of the report" are 0.83, 0.77, and 0.61, respectively. In Weleda`s case meanwhile, the values of those variables are 0.67, 0.52, and 0.47, respectively.
The variable "stakeholders' trust in the company" together with the other variables of SR in the pre-communicative phase, such as "interest in SR" and "feeling of being an addressee of the company's SR", have a large contribution to the willingness of stakeholders to read SR, which in this case is represented by the variable "percentage read of the report" (variable of the communicative phase).

This indicates that there are several factors outside the matter of creating and publishing SRs that make the stakeholders want to read the report. These factors should essentially be considered by the companies. If not, SR will be useless because it is not read by the stakeholders.

Case specific conclusion:
The findings show that the company's self-perception and the stakeholder perception of the company correspond to one another – especially at Weleda, which is characterised by a closer customer loyalty. However, a slight tendency to over-estimate their own image reveals itself in the managers, who do not go into potential image problems – this also reflects itself in the SRs, where potentially critical attitudes towards their own company are hardly ever dealt with pro-actively.

General conclusion:
The image of the sender, especially his credibility and trustworthiness, is one of the central factors that determine the comprehension and finally also the effectiveness of SR. In the case of a negative prior attitude towards the company, the role that an SR can play in correcting this attitude is naturally restricted: it will hardly be possible to dispel any prejudice. At most, one might successfully discover such preconceived notions and contend with them pro-actively. This means, "picking up" the recipients' negative judgment, thereby entering into an anticipated dialogue, and thus possibly creating the willingness for the recipient to deal with the company anew and to be more open-minded.
Conversely, it holds that the better, meaning the tighter, the bond of the stakeholders is to the company, the more favourable the prior attitude is towards the SR, but the smaller will be the expected image improvement by reading the SR. Within the scope of the research at hand, a different survey result presents itself astonishingly though: especially the stakeholders already positively disposed noted that the SR had contributed to a further strong improvement of their view of the company.
Further inquiries showed that the interest in details apparently increases again at a certain level of close bonding to the company – and that the preoccupation with the SR contributes to a deepened knowledge of the company.

3.3 Contents of the SR

Main results:
The results of the survey amongst the managers regarding the information supply, which was to be published within the scope of an SR, indicates a strongly non-uniform picture – apparently, no clear perceptions or schemes are existent in the circle of the surveyed managers about which central issues should be mediated to the stakeholders.
Independent from that, the majority of the surveyed managers believes that the information published in the sustainability report reaches the target groups, and consequently that the selection of the presented information corresponds with the information demands of the stakeholders. The SRs thereby convey the impression of a broad and very comprehensive offer of information to the recipients.
The stakeholders in turn report upon inquiry that "their" issues are generally included in the SR, but they each want more specific information or more comprehensive data based on their personal focus.
In Telekom`s case, even though the stakeholders admitted that they found the issues in relation to the environmental, social and economic dimensions of sustainability, which they had expected beforehand, there were still many environmental, social and economic issues which were not covered in the report, according to their opinion. They also mentioned that some issues were not well presented in the report. Meanwhile, in Weleda`s case, the stakeholders also admitted that they found the issues in the environmental, social and economic dimension which they had expected beforehand, but there were still some critics from the stakeholders mentioning that some of these issues were not well presented in the report.

The contents of SR from both companies, regarding the presented environmental, social and economic issues, could not completely meet the information needs of the stakeholders. However, the information presented in Weleda's SR could better satisfy the stakeholders than that of Telekom's SR. In Telekom`s case, 26 respondents showed their interest in environmental themes by dealing with and giving their comments on the presented environmental issues. Meanwhile, it turns out that 27 respondents dealt with the social themes and gave their comments on the presented social issues; whereas only 17 respondents stated their enthusiasm for economic issues. In Weleda`s case, the amount of the stakeholders who showed their interest by giving their comments for the presented environmental, social and economic issues are 26, 22, and 17 respondents, respectively. These results show that the social dimension of company's activities received the most attention from Telekom's stakeholders, more than the environmental and economic dimension. The first three social issues, which are mostly expected by the stakeholders, are staff development (education, training, etc.), social standard/policy, and matters relating to staff lay-off (retirement, old-age provision, etc.).

The dimension of the company's activities which received the most attention by Weleda stakeholders is the environmental dimension. The first three environmental issues, which are mostly expected by the stakeholders, are energy management/consumption, transport management (i.e. commuter traffic), and raw material management/consumption.

Interestingly, the choice of topic plays a central role for the question of "reading enjoyment" – therefore, topic complexes exist that are considered to be particularly interesting from the view of the recipients and that make the SR attractive: In the case of Telekom, the comparison of the value of contingency coefficient between the variables of SR in the communicative phase, such as "language style", "structure of the report", "font type and size", "design and colour", "found economic issues", "found environmental issues", and "found social issues" with the variable "reading enjoyment" shows that the social issues, which are expected and found by the stakeholders in Telekom's SR, play the most important role together with the variable "structure of the report" in affecting the "reading enjoyment" of the stakeholders. In Weleda`s case, the environmental issues, which are expected and found by the stakeholders in Weleda's SR, play the most important role in influencing the variable "reading enjoyment" of the stakeholders.

Case specific conclusion:
On average, the information demand of the stakeholders is well satisfied by the SR in the case at hand – next to a general interest about the facets of sustainability that is encountered across the board, every reader approaches the material with a specific interest though.

General conclusion:
The deepened, individually specific interest of each stakeholder in the SR can generally not be met by it if it does not want to go beyond any reasonable scope (the text should not exceed a certain length, see below). Therefore, the demand for information of each stakeholder cannot be met by a standardised SR.

3.3.1 Layout/Understandability

Main results:
The conclusions in relation to layout and understandability are mainly based on the theory of the 'Hamburger Verständlichkeitskonzept' (Hamburg Concept of Understandability). Considerable empirical evidence supports that theory and identifies four criteria of a text's understandability. The criteria are 'readability', 'structure', 'briefness-conciseness' and 'additional stimulants'.

In general, it can be concluded that Telekom's and Weleda's sustainability reports matched the criteria to be 'easy to read'. It can be assumed that the editors succeeded in adapting the language of the report to the communication abilities of their target groups.

Regarding the SR's structure and the readability of the report, 54.8% of 31 Telekom stakeholders stated that the structure of the SR helped them to understand the contents of the report. Meanwhile,

29% said that the structure was only somewhat helpful and the remaining 16.2% thought that it was not helpful or even confusing. Weleda seems to have performed much better in clearly structuring its SR. In Weleda's case, 92.6% of 27 stakeholders stated that the structure of the SR was helpful to understand the contents of the report and the other 7.4% were of the opinion that the structure was only somewhat helpful.

The results with respect to conciseness are somewhat contradictory. In order to determine the conciseness of the SRs two of the interview questions dealt with the 'length of the report' and the 'preferred amount of pages'. On the one hand, the majority of Telekom stakeholders stated that the length of the report is not appropriate. On the other hand, when asked about the optimal length of such a report, most of the stakeholders preferred exactly the amount of pages, which the report actually had (90-130 pages). This contradiction in data just reflects the contradicting demands on such a report. Conciseness is requested but at the same time there is a huge interest in the issues of sustainability and, therefore, detailed information about particular aspects is also demanded. This dilemma cannot be solved easily by the producers of the sustainability reports.

General conclusion:
Particularly in the case of Telekom various interviewees criticise the structure. However, as the example of Weleda shows, using a stringent structure following the well known, almost 'conventional' structure of the three aspects of sustainability, leads to a high degree of satisfaction. In relation to conciseness, the editor must deal with the aforementioned dilemma, for which no overall solution is available. Various stakeholder profiles may require different solutions to tackle this dilemma. One could think of using more elements to structure the text (see above), clearly indicating concise and detailed sections. Many recipients did not know the aim of the report and had no specific expectations. Consequently, it may be beneficial to inform about the aim of the report at the beginning.

There could be a precise and short executive summary on the first pages of the report. Another alternative would be to publish a concise print version of the report, which includes links to an extended online version that is well structured and presents all the necessary detailed information, which stakeholders like financial advisers may need at a later stage, for example (regarding the combination between printed reports and the Internet see e.g. Isermann 2004; Corporate register 2004c). The main aim of the short print version would be to convince the stakeholder groups, which are in need of more detailed information, that the company is transparent and trustworthy and all information needs are fulfilled in a far more accessible format by means of the extended internet version.

3.3.2 Style and Communication Method

Main results:
It is rather difficult to interpret the data concerning the various communication methods and styles. Very few precise comments were made and little critique was voiced. However, some elements, particularly in Weleda's report, were judged positively. The following three elements were mentioned particularly often:

- Presentation of concrete and real examples of the company's sustainability management and production, which illustrate the company's approach to sustainability in a vivid way. Sustainability as a concept is rather abstract and therefore practical examples make it more tangible.
- Humanising is another important factor for getting attention. Parts of the text, which relate to people, usually attract a higher attention than abstract figures and data. Obviously, people can better identify themselves with other humans. This may possibly explain the high interest in the social dimension of sustainability.
- Interviews make the report appear more personal. It provides the reader with first hand information, which can be directly attributed to a particular person. The reader feels directly

addressed by the information and messages in the text and, therefore, approach the text more openly.

Case specific conclusion:
An unexpected, unconventional and lively style and presentation format, which differs from the traditional report/data collection style, usually leads to positive responses of the stakeholders and increasing their willingness to read the report. The unconventional elements of the reports were remembered and were mentioned when asked about the qualities of the report.

General conclusion:
In general, it can be concluded that vividness and liveliness are of particular importance to the SR. This also includes allowing a certain degree of controversy. Various interviewees mentioned that different voices and views particularly attract their attention. Arguing in favour of vividness and liveliness should not be misunderstood as a statement in favour of high gloss, colours and pictures. The huge differences in style of the two reports, and the relatively positive responses to both of them, clearly show that there is no single recipe for producing the ideal SR.

The more vivid the report is, the further it distinguishes itself from mere advertising. The more unexpected unconventional styles are used, the greater the willingness is to read the report and to remember the contents, and the higher the probability is that even stakeholders with negative perception will appreciate the report. In short, the effectiveness of the communication process is greater. The interviewees showed a clear preference for a colourful mixture of styles: abstract reporting, magazine style presentation of cases, portraits or interviews instead of pure data. Therefore, there are no strict limits on what is allowed and what not within an SR. Weleda applied such a vivid mixture of styles, which may possibly explain the slightly better rating of the report by the stakeholders.

4 Summary and Recommendations

The base of this empirical analysis, on account of its foundation on two case studies, is not particularly large. Nevertheless, considering the significant amount of resources which the companies spend on producing their sustainability reports, the results listed above are not satisfying for the company. Many stakeholders were indifferent to the SR and only browsed through it because of the announced interview. The efficiency of this means of communication is rather low. The reason for this lack of interest cannot be a lack of interest in sustainability itself, as the interviewed stakeholders made it known that they are interested in issues of sustainability. Therefore, it is crucial for the SR producer to make the pursued goal clear and transparent for the stakeholder. If the stakeholder cannot get clarity and has to assume that the particular SR is either a pure advertising sheet or just "another boring collection of data", then there is the potential risk that even persons interested in sustainability issues will not approach the report with the necessary openness and interest.

In addition, different stakeholder groups do prefer different styles of SRs. If, for example, a stakeholder approaches a report with a rather professional and analytical attitude, he or she accepts or even prefers reports which are loaded with information and analytical data similar to an annual or financial report. Nevertheless, it can indeed be concluded that the majority of recipients generally preferred those parts of the text, which clearly differed from the classical report, which aims to provide transparency and as much data and abstract information as possible. Lively reports and mixed genres are often seen as more relevant for current situation in corporations.

However, the recommendations concerning the design of an SR do not deal with the major problem. The major problem with the SR's effectiveness as a communication tool is not connected to the actual SR itself. Those who finally read or browsed through the reports did not express major criticism. Most recipients judged the quality of the reports positively. The key problem refers to the phase before reading the report: if stakeholders are not even willing to take a minute to browse through the report, it does not matter how good the report is, it simply cannot have any effect. The

key issue, therefore, must be to provoke the interest and the engagement of the stakeholders with the SR by any means. Expectations need to be created that the report might contain something new - central information for the stakeholder - otherwise the report will be lost in a flood of other information sources, which the stakeholder is inundated with day by day.

The above mentioned problem certainly shows the area in which there is the most urgent need for further research and investigation into sustainability reporting - if the aim is to use an SR as an effective communication tool.

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