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"Integrated Reporting Is Like God: No One Has Met Him, but Everybody Talks About Him." The Power of Myths in the Adoption of Management Innovations

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Abstract

Purpose: This paper analyzes the process through which an IIRC (International Integrated Reporting Council) pilot company adopted "integrated reporting" (IR), a management innovation that merges financial and non-financial reporting.

Design/methodology/approach: We use a seven-year longitudinal ethnographic study based on semi-structured interviews, observations, and documentary evidence to analyze this multinational company's IR adoption process from its decision to become an IIRC pilot organization to the publication of its first integrated report.

Findings: We demonstrate that the company envisioned IR as a "rational myth" (Hatchuel, 1998; Hatchuel and Weil, 1992). This conceptualization acted as a springboard for IR adoption, with the mythical dimension residing in the promise that IR had the potential to portray global performance in light of the company's own foundational myth. The company challenged the vision of IR suggested by the IIRC to stay true to its conceptualization of IR and eventually chose to implement its own version of an integrated report.

Originality/value: We enrich previous research on integrated reporting and management innovations by showing how important it is for organizations to acknowledge the mythical dimension of the management innovations they pursue to support their adoption processes. Based on these findings, we argue that myths can play a productive role in transforming business (reporting) practices. We also identify some transition conditions that make this transformation possible and discuss the implications of these results for the future of IR, sustainability and accounting more broadly.

Type: Research paper

Keywords: adoption, corporate reporting, IIRC, innovation, integrated reporting, rational myth, sustainability

I. Introduction

The International Integrated Reporting Council (IIRC)[1] began promoting <IR> in 2010. Since then, the number of multinational companies, accounting firms, and investment organizations that have officially praised IR[2] has exploded (Humphrey et al., 2017). However, this development has not been straightforward; according to numerous practitioners, integrated reporting is probably one of the most disruptive innovations in the field of corporate reporting (Simnett and Huggins, 2015; Deloitte, 2015; PWC, 2015).

Integrated reporting involves merging financial and non-financial reporting. Accounting for all types of performance in a unique reporting system is undoubtedly one of the profession's aspirations, labelled as "global performance" by Chauvey et al. (2015). Accountants have dreamt of some form of IR since the birth of social and environmental accounting 40 years ago (Thomson, 2015; Elkington, 1997; Stubbs and Higgins, 2015). Yet many academics have displayed scepticism and concerns vis-à-vis the IIRC project (e.g. Atkins et al., 2015a; Brown and Dillard, 2014; de Villiers et al., 2014; Tweedie and Martinov-Bennie, 2015). They notably worry that such integration will ultimately favour financial over non-financial reporting and question the corporate reality of IR (Flower, 2015; Milne and Gray, 2013; Thomson, 2015).

Several reporting schemes have attempted to account for global performance in the last decades (Thomson, 2015; Stubbs and Higgins, 2015). Despite these tentative efforts, achieving global performance reporting remains challenging and IR, the last attempt at integrating financial and non-financial aspects, remains mysterious in practice. As explained by one of our interviewees, "IR is like God – no one has met Him but everybody talks about Him" (CSR director,[3] 2015). According to the IIRC, <IR> is a "concise communication about how an organization's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value in the short, medium and long term." (2013, p.7) More broadly, IR is an ambitious and far-reaching reporting project that challenges the current view of performance management, which tends to be based solely on financial metrics (de Villiers et al., 2014).

Existing research on IR says little about the actual process of adopting IR. Previous studies on <IR> have provided valuable insights into companies' motivations for adopting this new form of corporate reporting (e.g. Steyn, 2014; Higgins et al., 2014). But these articles pay limited attention to whether and how organizations eventually espouse this innovation (see Beck et al. (2017) and Lodhia (2015) for some notable exceptions). Despite the widespread calls for in-depth case studies on the topic (de Villiers et al., 2014; Perego et al., 2016; Stubbs and Higgins, 2014; Simnett and Huggins, 2015), the day-to-day reality of IR remains elusive.

Our research tackles this issue by providing an ethnographic account of the IR adoption process in a large multinational company. The company under study operates in the consumer goods sector and has embedded a long-term commitment to social and environmental responsibility into its organizational culture. From late 2010 to 2017, we regularly interviewed managers, attended critical meetings relating to the adoption of IR, and collected the documents and e-mails exchanged during

[1] The IIRC was founded in 2010 by the Prince of Wales's A4S, the Global Reporting Initiative (GRI), and the International Federation of Accountants (IFAC). Its mission is to establish recognition and acceptance of <IR> and integrated thinking.

[2] We use IR to refer to integrated reporting in general and <IR> to refer to the framework developed by the IIRC.

[3] The Nature CFO became CSR director in March 2014. Hence, quotes by the Nature CFO/CSR director are from the same person.

the project. The main purpose of our study is to understand how the company overcame the lack of specific explanations as to what IR is and what it should contain. In doing so, we are tackling a fundamental question: "How can an organization appropriate a management innovation that seems to have only an imaginary existence?"

Our findings reveal that individuals inside the company embraced the "mythical" dimension of IR. From the outset of the project, the company acknowledged that IR was aspirational and praised this imaginary feature. Multiple participants reflected on the nature of IR and developed collective conceptualizations and reconceptualizations of the innovation. Throughout this journey, individuals connected these conceptions to the foundational socio-economic vision of the company. The search process was often challenging, but the team eventually managed to create a unique IR approach, tailored to the organization. At a time of strategic renewal, the company believed that IR could help them reiterate the importance of pursuing the dream that first gave birth to the organization.

Our article makes two main contributions. Firstly, it expands previous research on IR and sustainability accounting more broadly through a field investigation of "accounting in action" (to cite O'Dwyer and Unerman, 2016, p.39), developing further knowledge on the construction of reporting via an innovative theoretical lens, as called by Unerman and Chapman (2014). Although IR has gained considerable traction among practitioners and academics, few studies to date have investigated how companies make sense of this reporting innovation. We show that the mythical dimension of IR can act as a springboard for merging financial and non-financial reporting. We suggest some transition conditions required for such change to unfold. In this way, we hope to broaden the research on sustainability and accounting by demonstrating the need to restore the productive role of myths in the transformation of business (reporting) practices (Hatchuel and Weil, 1992; Hatchuel, 1998).

Secondly, our article enriches previous research on the adoption of management innovations. Previous studies have explained why organizations want to adopt management innovations (Zbaracki, 1998; Collier, 2001; Rautiainen, 2010; Aguilera et al., 2007; Boiral, 2007; Volberda et al., 2014). However, there is very little research on how organizations evaluate and make sense of these innovations once they show an interest in them (Frenkel, 2005; Busco et al., 2015). We argue that the generative power of innovations results not only from their incompleteness and unattainable perfection (Busco and Quattrone, 2015, 2017) but also from the company's ability to embrace their mythical function. Innovations are "motivating rituals" (Busco and Quattrone, 2015, 2017) to the extent that they can (re)incarnate the foundational myths of the organization.

The paper is structured as follows: Section (II) reviews the literature on the adoption of management innovations. Section (III) describes our research design. Section (IV) presents our case study findings. The last sections (V) discusses these case study findings before drawing conclusions (VI).

II. The Process for Adopting Management Innovations

A management innovation is a new process, method, technique, or tool that it is expected to modify an organization's management processes, administrative systems, or social structure (Daft, 1978; Damanpour and Aravind, 2011). Management innovations transform the way managers make decisions and supervise people, significantly altering day-to-day principles and practices (Hamel, 2006; Volberda et al., 2013). Many management innovations have originated from the field of

accounting. They include total quality management, just-in-time production, quality circle, cost accounting, 360-degree feedback, beyond budgeting, activity based costing, and the balanced scorecard among others.

The innovative character of an innovation is inherently empirical. A management innovation is considered as such if the profession and managers concerned by the innovation portray it as innovative. Although global performance is not a new idea, many experts and practitionners consider integrated reporting (IR) as an innovative, and potentially disruptive, new form of corporate reporting (see de Villiers et al., 2016; Simnett and Huggins, 2015; Deloitte, 2015; PWC, 2015). If implemented, IR forces the top management of each organization to "think (long term) about their business model, how they create value and to whom, material issues, risks and strategy together which gives integrated reporting the potential to effect change" (Adams, 2015, p. 24).

Many academics, policy makers, and practitioners have been attracted by the ability of IR to embody multiple capitals simutaneously (Coulson et al., 2015; McElroy and Thomas, 2015). This ability means that IR could potentially be used by organizations to account for the value they create, not only for shareholders but also for all stakeholders – i.e. including society and future generations. Yet IR is also a contested innovation that emerges in a context of high expectations and defiance, notably because of the lack of specific indications regarding what an integrated report should be (see Flower, 2015; Thomson, 2015; Brown and Dillard, 2014). The popular and challenging character of IR makes it particularly useful for enhancing our understanding of management innovation adoption processes. If adopted, IR is likely to trigger significant change both in the organizations that adopt it and in the field of corporate reporting more broadly.

There is plentiful research as to why organizations become aware of and interested in management innovations. Explanatory factors can be categorized into three groups. Firstly, organizations may be pushed to examine a management innovation by their environment. Such pressure comprises competition (Waweru et al., 2004), governmental change (Lapsley and Wright, 2004), peer-pressure (Ax and Bjørnenak, 2005), and fads (Abrahamson, 1991; 1996), among others. Secondly, organizations may contemplate an innovation because of the operational benefits the innovation is expected to bring. Innovations can help improve profits (Davis and Albright, 2004; Ittner et al., 2002), decision-making processes (Cooper and Kaplan, 1992), or customer satisfaction (Busco et al., 2006). Thirdly, organizations may adopt an innovation because individuals inside the organization support it (Green, 2004). Sponsors may include top management or middle managers, depending on the organizational structure (Abernethy and Bouwens, 2005; Cavalluzzo and Ittner, 2004; Brown et al., 2004).

An organization's motives for examining an innovation are therefore numerous and most likely interlinked (Busco et al., 2015). The question of why companies are attracted by IR is no exception. Organizations adopt IR for a variety of reasons, including to improve corporate reputation and meet stakeholder expectations (Contrafatto and Burns, 2013; Higgins et al., 2014; Steyn, 2014). Many companies see IR as an opportunity to tell their own story (Beck et al., 2017; Higgins et al., 2014; Lodhia, 2015), to better showcase their strategy (Dey and Burns, 2010; Higgins et al., 2014) and to manage their strategic positioning (Beck et al., 2017). For others, IR is viewed as a means to demonstrate their ethical commitment or to build on their tradition of transparent social and environmental reporting (Lai et al., 2016; Lodhia, 2015).

Although the literature has analyzed the "why" of the adoption process, there is little research on "how" management innovations are assimilated. We barely know how an organization evaluates

and makes sense of an innovation (Zbaracki, 1998; Ax and Bjørnenak, 2005; Modell, 2009), and how this influences its adoption process. Yet management innovations are rarely adopted as "off-the-shelf" solutions but instead require organizations to actively incorporate them in their day-to-day practices (Ansari et al., 2010). Revealing such an assimilation process is a difficult task that requires prolonged engagement with the field and direct access to practices, and such ethnographic involvement is not easy to obtain. What happens once organizations have shown interest in an innovation therefore remains largely unresearched.

That said, some scholars have started to explore the process through which organizations appropriate management innovations, particurlarly in the field of accounting (Busco and Quattrone, 2015; 2017; Lorino et al., 2017; Mouritsen and Kreiner, 2016). Researchers all point to the unfolding aspect of the adoption process. As organizational members experiment with novel accounting and control techniques over an extended period of time, different innovations are bundled together before being re-combined into "innovation packages" (Modell, 2009), which are then routinized (see also Reay et al., 2013). The adoption of an innovation is therefore rarely purely "technical", but is a "production" process that has more in common with "invention" and "fabrication" (Power, 2015; Preston et al., 1992; Modell, 2009).

Busco and Quattrone (2015; 2017) have introduced the concept of "motivating rituals" to describe how the adoption of new accounting inscriptions creates a space in which organizational actors can engage in a process of interrogation and re-invention. A motivating ritual is "a recurrent path of actions that aids the construction and sustainment of beliefs with the possibility of figuring out the right solution to organizational issues and concerns without, however, fulfilling this promise." (2017, p.6) The authors show how a provisional budget, cost cards, and a balanced scorecard provided an Italian fashion company with an arena to continuously re-define, question, and pursue its imagined account of a value that was durable and tenable – what they call "sustainable value" (Busco and Quattrone, 2017).

Management innovations such as accounting inscriptions act as "rhetorical machines" that sustain motivating rituals through two mechanisms (Busco and Quattrone, 2015; 2017). Firstly, management innovations instil a desire for improvement among individuals inside the organization because they are imperfect. Secondly, they create a pathway for completing the unfinished definitions of innovativeness they convey by being incomplete. According to the authors, the values pursued by the Italian fashion company they studied became tenable because this durability was in fact neither fully defined nor incarnated, in either the organization's accounts or in a perfect garment.

More than twenty-five years ago, Hatchuel and Weil (1992)[4] had already noted the power of "rational myths" in fuelling change – a finding recently rediscovered by neo-institutional scholars (cf. Hallett, 2010; Labatut et al., 2012) and sociologists of valuation (see Beckert (2016) on how fictional expectations shape imagined futures). A rational myth is a "narrative that proposes a collective meaning that simultaneously communicates the real, the imaginary, and the symbolic." (Hatchuel, 1998, p. 187, our translation) While appealing to the imagination, rational myths mobilize a language that resonates with the actors and employs a narrative that appears logical. The role of rational myths is to stimulate and motivate actors to engage in cooperative action in pursuit of a collective purpose (Hatchuel and Weil, 1992; Hatchuel, 1998). Management innovations appeal

[4] For the English translation of this work, see Hatchuel A, Weil. B. (1995) Experts in Organization, a Knowledge-Based Perspective on Organizational Change (trans: Librecht L). *Studies in Organization: Innovation, Technology and Organizations*. Walter de Gruyter, New York.

to rational myths as "systems possessing both the mobilising properties of the myth and the operating properties of reasoning." (David, 2013).

Motivating rituals, rhetorical machines, and rational myths are all concepts that indicate the generative and productive power of human imagination. Myths, however, bear unique features (Harari, 2015). Myths are transcendental. They relate humans to a superior force that provides aspiration and guidance. Myths are also metaphysical. They are concerned with the first principles and ultimate grounds of existence of a practice, an organization, or life. Current research has begun to show the role of "motivating rituals" in the adoption of management innovations (Busco and Quattrone, 2015, 2017), but we still know little about how organizations can adopt management innovations whose existence seems to be purely mythical.

III. Research Methods

Research Setting

The organization under study, referred to as "Gama", is a medium-sized multinational company in the consumer goods sector, headquartered in Europe. Gama is recognized as a pioneer in the field of corporate social responsibility. The company was founded many years ago with the aim of pursuing a "dual economic and social project." This dual project is embedded in the company's corporate culture and strategy. When we started the field study at the end of 2010, the dual project remained the company's "bible" for its human and social relations.

In late 2010, Gama considered joining the IIRC pilot program, after having been pointed towards this innovation several times by the A4S network and an external stakeholder. An integrated report is a concise communication tool about a company's value creation process through six capitals (IIRC, 2013). The most important differentiating principles for an integrated report as defined by the IIRC are connectivity, materiality, and future outlook. Gama had already implemented several social and environmental accounting initiatives, such as carbon and water accounting, and considered IR to be the logical next step. In September 2011, the company finally enrolled as a pilot company in the IIRC program. It then launched an internal project to build a shadow integrated report as an initial move towards an official integrated report, which was eventually published in 2016. The shadow report tested the idea internally and defined what the official 2016 integrated report should look like. It can therefore be considered as a "mock" report that tried ideas and new processes related to the new practice. From 2012 to spring 2014, the IR project was put on hold due to economic difficulties. It was relaunched in 2014 and in 2015 Gama produced a sustainability report, which acted as a springboard to the first integrated report in 2016. The same person, the Nature CFO/CSR director, was responsible for the IR project throughout the process.

Data Collection

The IR adoption process described in this article is based on a seven-year ethnographic field study (2010-2017) (Schouten and McAlexander, 1995). Data sources include (participative) observation, interviews, and documentary evidence (Tables 1 to 3).

Insert Tables 1 to 3 about here

The first researcher began her involvement as an insider and engaged in participative observation (Spradley, 1980; Jorgensen, 1989) from November 2010 to July 2012 (with two full-time periods totalling twelve months). The researcher was a full-time employee of Gama when the IR project was introduced and was authorized to use the data she collected for academic purposes.[5] Under the supervision of the main CFO, she acted as a "Nature controller" and reported to the Nature CFO, the executive responsible for the IR project (Figure 1)[6].

The Nature CFO was in charge of the carbon accounting project from 2009 to 2014, which involved creating an entire environmental accounting system from scratch to report company-wide results of CO_2 emissions externally. When the IR project was raised at the end of 2010, the Nature CFO was the natural recipient of the project as the CFO considered it to be naturally a finance project. In a nutshell, the Nature CFO was in charge of inventing Gama's "sustainability accounting" of tomorrow. The researcher was responsible for launching the internal shadow integrated report project. This responsibility included giving presentations to the Nature team, benchmarking existing integrated reports, participating in the IIRC pilot program, and working with an external consulting firm.

Insert Figure 1 about here

The first researcher was also responsible for conducting a series of workshops on the desired format for the shadow report with participants from communications, strategy, investor relations, risk, and finance. The twelve meetings pertaining to the project were audio-recorded, and lasted a total of 26 hours. During that time, over 100 documents were collected, ranging from PowerPoint presentations, meeting minutes, and email exchanges to pilot program documentation. As is common with reflexive ethnographic approaches (Golden-Biddle and Locke, 2007; Whyte, 1943), the first researcher wrote a detailed diary describing key events and interactions. In 2012, the second researcher (third author), was invited to attend several meetings as a silent participant.

From July 2012 to July 2013, the first researcher's involvement changed from insider to close outsider of the project. Although the project had been put on hold, the first researcher stayed connected to the field. During the period 2012-2013, she participated in informal discussions with the Nature CFO and in two formal meetings in April and May 2013. Themes discussed included how to relaunch the project and how to present the shadow report work to the IIRC pilot meeting in June 2013. In June and July 2013, the research team conducted interviews with the project's participants. The interviews focused on their impressions of the process of producing an integrated report, the use of accounting and new key performance indicators, the impact of integrated

[5] This was obtained through a doctoral agreement between the researcher, the doctoral school, and the French Ministry of Research and Education (CIFRE).

[6] The Nature general management was in charge of the environmental management strategy and programmes, to infuse "nature" everywhere in the organization.

reporting on their job, the strategy employed, and collaboration between departments. All interviews were recorded and transcribed verbatim.[7]

The first researcher's involvement then further evolved and she became an outsider from 2014 to 2017. All researchers were now outsiders, participating in critical IR meetings as non-participant observers, collecting further documents such as PowerPoint presentations and meeting minutes, and conducting further interviews in 2014 and 2015. The first researcher was able to regularly interview the CSR director (former Nature CFO) from the project relaunch through to the 2015 intermediate sustainability report and the first integrated report in 2016.

A meeting was held between the researchers and the core integrated reporting team in June 2015, deepening our understanding of the final stages of the project. Finally, the first researcher was invited to attend the presentation of Gama's integrated report to the IIRC country group in November 2016. She also stayed in touch with the CSR director and the sustainability reporting manager until April 2017 to gather their impressions and feedback on the integrated report following its publication. Throughout the second and third involvement periods, the team kept extensive notes of their fieldwork to further document the case (Lincoln and Guba, 1985).

The evolving nature of our ethnographic involvement allowed us to experience the adoption process of IR from the inside, as well as sustain a longitudinal view of the process via (non-) participative observation and interviews over seven years. Our ability to study the same company over several years through both observation and interviews is key to unravelling the mechanisms of IR adoption, a process that would otherwise have been difficult to understand (Cunliffe, 2010).

Data Analysis

Our research design is a form of "naturalistic inquiry" (Garud et al., 2002; Lincoln and Guba, 1985) that relies primarily on abductive reasoning (Mantere and Ketokivi, 2013; Lorino et al., 2017). Our theoretical approach is problem-driven rather than paradigm-driven (Davis and Marquis, 2005). In problem-driven research, questions emerge from the field and researchers answer them using theoretical paradigms.[8]

Problem-driven research aspires to reveal the mechanisms through which a social phenomenon unfolds. Mechanism-based theorizing is particularly suitable for understanding complex and emerging collective situations. It helps researchers uncover how relations and interactions form a "wheelwork producing a social outcome" rather than looking for "universal laws" (Davis and Marquis, 2005, p. 337).

Through our ethnographic approach, we sought to uncover the IR adoption process at Gama, taking into account its culture, its practices, and the meaning it attaches to IR (Cunliffe, 2010). We aimed to understand the mechanisms through which Gama made sense of IR. We were particularly intrigued by the organization's ability to adopt an innovation that seemed to have only an imaginary existence. This "theorized engagement" enabled us to understand "accounting in action" through the construction of reporting (O'Dwyer and Unerman 2016, p. 39; see also Hopwood (2009) and Gray (2002)).

[7] All interview quotes have been translated into English.

[8] In contrast, questions arise from theories in paradigm-driven research.

We worked via an iterative process, alternating between data collection and reflections on the evolution of the IR adoption process at Gama. Our (non-)participative observation enabled us to contextualize our interview data, while our interviews shed further light on our observations, allowing us to confirm, refute, or supplement our data (Guénin et al., 2015). In addition to serving as a data source, our detailed field diaries and extensive notes were also important in helping us to translate the data and craft Gama's story (Lincoln and Guba, 1985).

The aspiration that drove Gama's organizational actors during the IR project had been on our radar since the early days of our fieldwork, being a recurring factor observed, discussed, or noted down. In the fourth year of our engagement with Gama we conducted a three-day work session on the project during which we revisited the data we had collected from the beginning of the project. We came to the provisional conclusion that Gama's interpretation of IR contained a mythical aspect that appeared to shape the company's approach to the process. We then concentrated our work on further exploring and confirming this interpretation (Guénin et al. 2015).

Throughout our data collection, we conducted "focused coding" of the documents and transcripts assembled. We used Atlas.ti software to identify relevant emerging codes (Charmaz and Belgrave, 2002, p. 321) that reflected the words used by our informants (Gioia et al., 2010; Van Maanen, 1979). The software helped us to structure our analysis, while the coding remained the responsibility of the research team. Meanwhile, we wrote detailed narrative summaries (Langley, 1999) that chronicled important events at Gama during its IR adoption process. We regularly confirmed their appropriateness by sharing them with Gama's Nature CFO. In the last stage of our analysis, we used axial coding (Strauss and Corbin, 1998) to identify relationships between the emerging codes identified in the focused coding and theoretical concepts.

In addition, we kept up to date with developments in the IIRC's work throughout our fieldwork to ensure that we understood the case in light of the broader institutional context (Ball and Craig, 2010). In addition to triangulating our different data sources and recording all meetings and interviews, we ensured the trustworthiness of our findings (Lincoln and Guba, 1985) by presenting our interpretation of Gama's IR journey to the CSR director, who supported our analysis. When presenting our findings, we selected excerpts from interviews, observations, and our experiences to articulate Gama's story (Cunliffe, 2010; Kornberger et al., 2011).

This ethnographic involvement is summarized in Figure 2 (inspired by Schouten and McAlexander, 1995).

Insert Figure 2 about here

IV. Findings

The following sections set out Gama's IR adoption process from 2010 to 2017. For ease of reading, Figure 1 provides an organigram of the Nature team in charge of the IR project, Figure 2 offers a chronological account of the main events, and Figure 3 provides a chart of the key actors involved in the project.

Insert Figure 3 about here

Meeting Integrated Reporting

In 2007, Gama embarked on a major project for measuring and reducing its CO_2 emissions. Among its initiatives, the organization developed its own internal carbon accounting tool with the aim of reducing carbon emissions by 30% by 2012. External stakeholders refused to certify the tool, prompting a legitimacy crisis that called into question the company's strategy of building environmental accounting internally.

To avoid future problems resulting from major discrepancies between their practices and external certifications, the Nature CFO asked a Nature controller (the first researcher) to scan the field and review all sustainability accounting initiatives. This is how the notion of IR was first brought to the attention of the Nature team at the end of 2010. Concurrently, the company's CFO was also approached by Accounting for Sustainability (A4S) and invited to participate in its meetings. He appointed the Nature CFO to represent Gama: "[Name of CFO], quite logically, turned to me and said 'It's interesting. I think we have all we need at Gama to progress in this type of project. Go have a look.'" (Nature CFO, July 2013)

In July 2011, a participant at a key stakeholders' meeting held at the company, who was involved in the IIRC's development efforts, suggested that integrated reporting could be a good fit for the company. Following the meeting, the Nature CFO and the Nature manager decided that the company would join the IIRC pilot. This decision was subsequently approved by the CFO and made official in September 2011 when the company joined the pilot group. The Nature CFO attended the first IIRC pilot meeting in Rotterdam in October 2011, where she was introduced to the idea of <IR> as formulated by the IIRC. Investors were present, and one of them referred to the CFO's sponsorship of the Nature department as an example of best practice in the adoption of integrated reporting.

Although the company had officially begun its IR journey, the project had yet to be accepted and developed internally. The first step was to get the Nature team on board. To that end, the Nature finance team,[9] composed of two controllers and the Nature CFO, gave a presentation to the extended Nature team in January 2012. The Nature CFO presented the potential adoption of IR as a challenge that would create aspiration:

> Real integrated reporting, the one everyone is thinking about and that we don't really know how to implement. You'll see, it's a bit of an **abstract concept** for now. **No one has managed to do it so far.**[10] (Nature CFO, January 2012 meeting)

That meeting triggered many questions from the Nature team on the meaning of IR: was it triple bottom line? Were Novo Nordisk or Siemens good examples of integrated reports? Very quickly, the Nature team agreed that Gama had "everything in place" to launch an integrated report.

Making Sense of Integrated Reporting

From the outset of the project at Gama, the idea of IR and Gama's existing efforts seemed a natural fit and were envisioned as a compass:

> Our quadruple win [the compass – see Figure 4] is integrated reporting. What we're doing with the compass and KPI identification is integrated reporting. (…) We need

[9] The Nature finance team was created to put in place environmental accounting and accountability within the company.

[10] Emphasis is ours. This applies to all quotes.

> to draw a connection with the major work we are doing on sustainable agriculture – we're inventing KPIs for each aspect as we go: Nature, Economic, Social, and Health. (Nature manager, January 2012 meeting)

Insert Figure 4 about here

The first internal stakeholders[11] to discuss the IR project welcomed integrated reporting as a way of presenting to the external world what they had always been doing internally. In their social imagery, they viewed their long-standing strategy of a dual social and economic project as distinctive, and IR was therefore a way for them to showcase the corporation's uniqueness. This sentiment slowly started to create pressure to prepare a "perfect" integrated report, which would "truly" reflect how integrated Gama was, in order to be "faithful" to their idea of IR.

The Nature team was certain that their story was a tight match with what integrated reporting "should" be – something very different from early endeavours, and very different from the IIRC discussion paper from 2011. Notably, they questioned the emphasis on monetization (the Environmental Profit & Loss from Kering was considered an <IR> example by the IIRC), and the investor-focus chosen by the IIRC. The Nature manager and the Nature CFO also wanted to go further than the integrated reports published prior to the IIRC's launch of its framework.[12] This framework brought disenchantment to Gama since it clashed with its aspirations for IR:

> You have to show why you set those objectives for yourself and why they're important for the business. It turns out it's very driven, I'm pretty disappointed. It's very driven by the investor world. **There's a total lack of vision**. (…) Honestly, it's not very interesting; we're not going to do that. (Nature manager, January 2012 meeting)

After that first internal meeting, two further meetings between the Nature manager, the Nature CFO, and the CFO were scheduled in February and March to validate the decision that the company would use integrated reporting in the future. The presentation contained an <IR> definition, <IR> key elements, examples of integrated reports including Gold Fields, Natura, and Novo Nordisk, and the work plan for the "shadow" integrated report project, as well as its governance.

Once the project had been validated by the CFO, the development of a "shadow" report was launched internally in May 2012, with a consulting firm supporting efforts to develop it. The Nature finance team organized a first set of meetings in June and July 2012 with key internal stakeholders in order to design a first IR "shadow" report. The strategy, finance, CSR, investor relations, communications, and health teams and the risk manager were among the internal stakeholders invited. The project was to sketch out the report with prior data and to showcase it for the purpose of co-opting more people to the project. Five meetings were organized on the design, online content, KPIs, and materiality/transparency. The consulting firm helped facilitate the meeting and brainstorm each of the topics beforehand and to collect a first set of data on which to build the shadow report. The extent of the work required to implement the IR innovation was recognized:

[11] The first internal stakeholders included the Nature team, the sustainability reporting manager, and one communications manager.

[12] These include Novo Nordisk and Akzo Nobel, for example, or the IRs published in South Africa under the King III Report from 2009.

> Anyway, there will be limitations everywhere. **We just need to invent something**. It's the goal of the exercise. (Nature CFO, project launch meeting May 2012)

The collective action toward IR implementation occurred through defining and redefining the company's integrated report according to the internal stakeholders' understanding of IR and its potential for helping to achieve the firm's dual project:

> If you switch the exercise around and you think otherwise, and you speak about [Gama] – our specificities, our issues – you write your roadmap. (...) **Basically, you start from our story**, and after, you create the sections [of the mock report]. (1st workshop, June 2012)

Some elements of the report were then discussed and agreed upon, but not before being conceptualized and reconceptualized. For instance, in the design workshop, the two structures proposed for the future shadow report were considered insufficiently ambitious as they were too generic (Communications manager, 1st workshop, June 2012). The communications manager thought of an alternative structure based on the upstream-downstream value chain model that would cover the company's four business divisions:

> My second point is that, if we look at the group's current strategic issues, there are some things that are very typical of [Gama]. I find the idea of a [value] chain moving downstream for our four divisions to be a potential structuring element. (…) As for integration, it is completely integrated. (…) So there is a whole approach that is very typical of [Gama]. (Communications manager, 1st workshop, June 2012)

The conversation continued with respect to how this value chain blueprint would help make connectivity a reality in the future shadow integrated report:

> For example, you can take the agricultural issue and look at it from the environmental or financial angle – the volatility of commodity prices is a major financial issue. How will we respond to this through the structuring of your chain? In other words, considering things from a fully integrated point of view. (1st workshop, June 2012)

An entire workshop was dedicated to looking at key performance indicators and how to build "integrated" KPIs. The "unmeasurable" and "soft" aspects of Gama's strategy were debated:

> Right now, we're on the People axis. Afterwards, we'll suggest a few things and **see if they're measurable.** It doesn't matter whether it's across the group or just for the CBU [Country Business Unit]. It's a measure, and we'll see if it's feasible afterwards. (4th workshop, June 2012)

> No, it can be quantitative. It's quantitative in relation to your ecosystem, despite not being 'what does this do for you directly.' **It's a soft benefit**. But there are a lot of soft benefits. It inspires pride in employees, they tell themselves 'this is great, we're doing stuff. I'm in [Country], I'm doing stuff for the rag-pickers,' and so on. There is an engagement interest for [employees]. There is a reputational interest, considering local stakeholders, governments, and so on. (4th workshop, June 2012)

In multiple external events, workshops, and reports, integrated reporting was presented as the future of reporting. After all the sustainability accounting initiatives the company had developed and implemented to be consistent with its strategy and culture (notably in terms of carbon accounting), organizational members believed integrated reporting would be the natural next step. The IR initiative was seen as having the potential to reveal internal endeavours in sustainability accounting, something that had not been accomplished externally at that point, although participants felt the company was already very close to producing its ideal view of an integrated report:

> You're completely right - **the foundations are already laid at [Gama], since everything is integrated. However, there's no integrated report**. So we're only working on the way to communicate all that, but we're lucky. (1st workshop, June 2012)

Organizational participants believed the dual project set them apart by integrating social and economic concerns into their operations. Talking about the specificities of the management model and how to incorporate them into the integrated report, one participant said:

> That is to say how **societal innovation**, at [the company], **is fully integrated** into the business and how it transforms the way we do business, our businesses and our organizations. It's kind of **how we work the [IR] trick**, it's right to the point there, **the integration of responsibility is at the heart of the business**. (1st workshop 2012)

At the same time, there were also discussions on the different items requested by the IIRC framework, notably the "future outlook," which appeared to be a fuzzy topic to report on:

> Investor relations manager:
> (…) Then, what do you say about the future outlook? What would you say today?
> Nature CFO:
> You mention a number of partnerships you lead. (…) I think we currently make insufficient use of R&D, but there's a lot of content we can use to help.
> Investor relations manager:
> Alright, but that's not a tangible outlook; that's not 20-year goal material. (1st workshop, June 2012)

Throughout their discussion and work, IR was conceived as a desirable, although vaguely operationalized, innovative practice:

> The difficulty is that it is a rather innovative project in terms of substance. The study we did shows that **there is nothing known as an integrated report anywhere**. So the exercise is innovative in itself. (Shadow Report, end of project July 2012 meeting)

By mid to late 2012, multiple internal stakeholders had joined the report development process (Figure 3). These actors discovered connections to the integrated reporting project that enhanced their own work, or surfacing or latent issues in the various entities, such as attempts to enhance well-being and health capital accountability through integrated indicators. Through exchanges and discussions, stakeholders realized how much content was already available for building an

integrated report. It was like having pieces of a puzzle without the image: the company had to (re)build and (re)define the ultimate picture of global performance they wanted to achieve via IR.

> What was a bit surprising was that, through different means, everybody had inputs for the integrated report, without having put a name on it. It is as if, intuitively, **everyone was trying to work in the same direction, and we came to put a name on it**. (Shadow Report, end of project July 2012 meeting)

Being a Pilot of the IIRC

Parallel to the project being introduced at Gama in early 2012, the IIRC started to convene online meetings for pilot organizations to talk about the different elements that should constitute an integrated report. The Nature team felt that the IIRC was becoming too insistent and inquisitive about pilot organizations' internal processes on their integrated reporting journey. Team members had the impression that they had to show "compliance" with the IIRC framework. The IIRC asked whether it could show Gama to other pilot reporters as a model, but Gama refused.

Meanwhile, the Nature CFO started to express fears about the rhythm at which the IIRC expected feedback on the project, particularly through interventions at the webinars and through feedback forms that had to be completed regularly. She felt that Gama needed time to develop its own IR – and the pressure and rapidity of the pilot was a major put-off for an organization at the beginning of its IR journey, trying to make sense of what IR meant.

At this stage, Gama decided to step back from the pilot. It became a passive participant and focused on building its own project to create a "shadow integrated report." The Nature manager expressed doubts as to whether the work started via the IIRC would align with the company's way of developing an integrated report. In several email exchanges, the Nature manager tried to capture the essential links between the IIRC view and what Gama would consider, while noting the main differences where Gama was not ready to compromise.

Internal stakeholders involved in the IR project at Gama had developed some understanding and perception of what the IIRC expected in terms of <IR>. To a certain extent, this understanding clashed with their emerging conception of IR. This led the company to question several key features of the <IR> framework in its own conceptualization and reconceptualization of IR.

For example, although the IIRC had initially advocated a single report that would replace the others, it changed its position between the initial 2011 release and the final 2013 framework (Flower, 2015; Rowbottom and Locke, 2016). Gama advocated the opposite:

> We support the development of the framework, however **this must not mean the development of an extra standard**, it must integrate all existing reporting work, whether on finance or sustainability. (Official response to the IIRC 2011)

Gama also strongly disagreed with what they perceived as the pre-eminence of the investor as the primary audience of <IR>, and the goal of <IR> to mainy help the investor in its capital allocations:

> **Our target** – for the integrated report – isn't just the investors, **it's all the stakeholders**. (…) If we do this exercise, it is not just to make things easier for

> investors. I have been to two IIRC meetings, and they are very much driven by the world of investors. (Sustainable development reporting manager, July 2013)

Gama emphasized its dissent in comment letters to the different IIRC drafts, in 2011 as well as in 2012: "This exercise **cannot be limited to showing investors the economic effect** of management's decisions on non-financial matters, even if we acknowledge the importance of this goal." (Official response to the IIRC exposure draft, 2012) Underlying this concern for stakeholders, the Nature CFO explained she was concerned that this investor focus would not adequately reflect the dual nature of their project, i.e. its social and economic aspects. <IR> that favours one stakeholder over all others was a construct that clashed with the company's understanding of IR as a multi-value (dual project) and multi-stakeholder concept.

The Nature manager and the Nature CFO disagreed with the notion of a single form of value dominating all others, a conclusion agreed with by the project's internal stakeholders. They criticized the fact that "value" in the IIRC view (as they perceived and understood it) was solely economic:

> You understand what the guy is saying when he talks about value, he is talking about the economic value. That is why they want to make indicators that show that caring for the environment is **good for the P&L** [Profit and Loss], that dealing with people is good for the P&L, that caring for orangutans is good for the P&L. (Nature CFO, 2013)

Similarly, Gama opted to use its own version with four types of capital rather than the six capitals conceived by the IIRC. The four types of capital included a "well-being and health" capital that was key to the company but that was not highlighted by the IIRC.[13] The communications manager also questioned the fact that the IIRC portrayed all capitals to be of equal importance. She explained that Gama's "people" capital could not be considered equal to its manufacturing capital, for example, since "people" were a foundational element of Gama. In fact, Gama's "human capital" (people) possessed several key elements (including the specific culture of the company) that made it more critical, richer in dimensions, and more complex to report than, for example, its manufacturing capital.

Gama also considered that the IIRC financialized social and environmental impacts too much. For certain impacts, this seemed inappropriate or unwelcome, so the company challenged and resisted it:

> At [Gama] we do not necessarily see monetization as the preferred solution for evaluating environmental issues. We believe that the right data can be integrated within a business even if they remain physical measures. Therefore, unless necessary and possible for decision-making purposes (for example evaluating the impact of a possible carbon tax in certain countries, etc.), **there is currently no plan to go for extended monetization because we believe that it does not improve integration**, nor does it improve decision-making processes. (Official response to the question on monetization, mid-term report, 2012)

[13] Other companies have adapted the six capitals framework to suit their business model, such as Vivendi with its "cultural capital." See http://www.vivendi.com/wp-content/uploads/2015/03/20150327_VIV_PDF_Vivendi_Annual_Report_2014.pdf

> So I think there will be different units. We will need to educate in order to make decisions based on different types of units. I think for the social and environmental, there will be different indicators and we will have to deal with it**. I do not think that everything could be translated into euros**. (Nature CFO, 2013)

Putting a Break on Integrated Reporting

After seven months, the integrated reporting project stalled. Gama announced an extensive layoff plan for its European entities. The company shed 900 managers as part of the 200 million euro cost reduction plan it announced in December 2012. The simultaneous announcement of sales growth of only 5.4% in 2012, lower profitability, and the wide-reaching layoff was a milestone in the company's recent history (Le Figaro, 2013). Both externally and internally, the dual economic project had hit a roadblock and was challenged:

> Suddenly, **you wonder whether [Gama] is making good strategic decisions, whether we're spending too much time focusing on the ecosystem, on [Gama] Communities**, perhaps to the detriment of purely business-oriented choices. You realize that these are two completely different worlds. (Communications manager, July 2013)

Some even felt that the company's dual project had been damaged, or at the very least put on hold. This was the case for the Nature team, which was working on a new version of the sustainability strategic planning process, called Nature 2020. The team was upset when the plan was put on hold because of the economic challenges faced by the company.

> We heard about it at the new year wishes ceremony [from the CEO address to the employees], that we needed to know when to work the slider [i.e. agreeing to shift the focus from balancing economic and social aspects to placing economic over social]**. It's very frustrating for us. We worked hard on this Nature plan, and it's a shame to think that we have something ready that we aren't releasing.** (Environmental reporting manager, July 2013)

Clearly, Gama was struggling to keep its dual project afloat. In parallel, the sustainability reporting team and the Nature team were severely affected by the lay-offs and resources were scarce. The difficult economic context weighed on the teams, who had to concentrate their energies elsewhere. The Nature CFO felt it was not the right time to make things happen. Despite the challenges, she kept "faith" in the IR project. She held informal meetings about the way to relaunch the project. She continued to engage with the IIRC pilot, and presented some of the progress made on the shadow report in June 2013. The consulting firm continued to gather information to build the shadow report, or pieces of it. However, internally, it was difficult to develop the project into an actual integrated report:

> I feel like the validity of IR is not being questioned; everyone just accepts it. I didn't discuss it directly with [the CFO], but the general consensus seems to be that we have to go for it as it were. **Now, I don't know if it will be a priority right away, and with which resources**. (Environmental reporting manager, July 2013)

Relaunching Integrated Reporting

In early 2014, the Nature CFO transferred from a Nature role to a sustainability role (CSR director) and moved simultaneously from a finance hierarchy to a human resources one. She had been advocating a move from an environmental accounting role to a sustainability accounting role that would include social and societal accounting for some time – since she believed this was the right next step in her career, building an expertise in non-financial accounting.

The move was made possible after the 2013 lay-offs and reorganizations. The IR project was easier to relaunch when it became possible to replace the sustainability report with an integrated report thanks to the former Nature CFO's new position. In her former role as Nature CFO, she had no direct responsibility for financial or sustainability reporting, but gained responsibility of the sustainability reporting channel when she became CSR director. Nevertheless, for the IR project, she still reported to the CFO, who was a long-standing supporter of the idea of developing an integrated report at Gama.

In March 2014, as the pilot had ended and the IIRC framework had been published (IIRC, 2013), the integrated reporting project changed direction within the company. The CSR director hired a consultant[14] considered highly knowledgeable in integrated reporting and got new people on board from the "social" side of business.[15] The project had been on hold for 18 months by the time it restarted (from late 2012 to spring 2014). This time lag accentuated the pressure the team felt to get IR "right." They had been thinking about these ideas for so long, their report had to reflect their commitment.

With IR returning to the forefront at Gama, reflexivity and discussions also resurfaced. The company continued to move away from the <IR> concept of IR. The company's main intention was to keep its specificity and stay true to itself through its own vision of IR, while performing some integrated reporting in its own way:

> In my view, the notion of **increased** reporting, I think it is something that seems useful because it allows us to **loosen our grip on the concept of integrated reporting** and at the same time allows us to characterize exactly what we want, in other words to complete, to enrich. (2nd consultant)

After all the questions and challenges that the company's dual project had faced during 2013, the IR project was viewed as a way of reaffirming Gama's genuine concerns for sustainability, both internally and externally. "We feel that we must make the structure of this [Gama] 2020 plan fit with our integrated report." (CSR director,[16] June 2015 meeting) When asked what the company had learned from its involvement with the IIRC, the CSR director answered:

> What remains is making **the intellectual effort to concretely explain [Gama]'s dual project.** What we are experiencing, how we make decisions, how we very intuitively and naturally connect the four points of our compass, and how to explain all that. I think the initiative is great for that. (CSR director, June 2015 meeting)

Real Life Integrated Report

[14] He was the first consultant but had changed firms between the beginning and the end of the IR project.

[15] The Nature CFO was responsible for environmental topics. When she moved to the position of CSR director, she became responsible for "global performance", including social issues. She was able to include people from branches dealing with issues such as poverty and employment in the supply chain.

[16] From now on, the Nature CFO will be referred to by her new function, CSR director.

Further to the shadow report work and the Nature CFO's reassignment as CSR director, it became possible to probe integrated reporting in "real life." The next step for the CSR director's team was to work on an initial modified sustainability report covering 2014, which was subsequently published in 2015. They designed improvements to the report that they would build on in converting their reporting to IR. The published report had a revised structure, adopted the new GRI G4,[17] included a materiality matrix for the first time, and contained elements of extended transparency such as environmental aspects where the KPIs had weakened. Rather than following the IIRC framework,[18] materiality was defined according to the GRI guidelines, inclusive of all stakeholders' concerns:

> To us, materiality is the conjunction, the meeting between issues that impact society, our environment, and our ecosystem. (CSR director, June 2015 meeting)

The internal stakeholders were fully aware that they had not yet reached integration, but that fewer reconceptualizations remained before they reached the goal of publishing their first integrated report.

> So it's an in-between report, and we announced long ago that the next thing would be integrated reporting. It's around 30% – **we don't know how to do it, but we'll do it**. (CSR director, June 2015 meeting)

As planned, the project was pursued until the publication of a first public integrated report in 2016. In mid-2015, the CSR director's team had not yet decided on a label for the next report, and was looking at a name other than "integrated report" as a way to distinguish Gama from the IIRC. Finally, when the 2016 report was published, the CSR team in fact opted to label their report as an "integrated report" for strategic reasons. They felt that this label would bring visibility to their report and facilitate its recognition. Given the lack of external recognition that their carbon accounting tool had obtained, they believed that naming their report as integrated while defining its content in their own way was the safe way to go.

Despite being titled "Integrated Report," the report was significantly different from existing IR reports. It did not refer to <IR> or its framework, such as the capitals, or its business model. As collectively envisioned, the integrated report addressed all stakeholders (as opposed to giving primacy to investors), especially in the videos that were made to deliver the message that the company's dual project was the driver for the way business was conducted:

> And I think that the funnel of deciding you're starting from a strategy, a mega strategy (…). And you go down through a corridor that's divided into four topics that are distinct but linked together, that explain the logic to you and end up bringing you something tangible. (CSR director, May 2016)

[17] Before that, Gama followed the GRI G3.1 in its sustainability reporting.

[18] The IIRC (2013, p.18) defines materiality as: "information about matters that substantively affect the organization's ability to create value over the short, medium and long term" whereas GRI (2013; p.17) defines materiality as "reflect[ing] the organization's significant economic, environmental and social impacts; or [s]ubstantively influenc[ing]the assessments and decisions of stakeholders."

The CSR director emphasized that their mode of presentation was intended to communicate their strategy concretely. The digital format, with heavy use of videos, was meant to be informative:

> But I think it's a very good idea to be able (…) to connect this to very concrete on-the-ground examples that cover all countries in the world. (…) With actions from the field. So that's great, because it means any country can see what's being done elsewhere. (CSR director, May 2016)

Nevertheless, the CSR director and the sustainability reporting manager were disappointed by some aspects of the report they published. They felt they could have done "much better" (Sustainability reporting manager, December 2016) had they had more time and resources to build the report. This disappointment with respect to the connectivity of their report derived from the pressure the team had been putting on themselves to produce a "perfect" report.

> It produced a tool that was designed to show… (…) **the way things are connected together, and right now it's not showing it. Not quite, anyway…** I thought it over from every angle, and **I think it's a bit utopian. I think it's very complicated to show that everything is connected** while at the same time being able to explain the social and ecological issues at stake… in a way, you have to separate them a bit, or else you won't be able to explain them because they are different aspects – not different things – but rather, different aspects of a single thing. (CSR director, April 2017)

One of the biggest hurdles Gama still had to overcome was identifying the right "integrated" key performance indicators, especially for the societal aspects of sustainability such as human rights, or the impact of social programs within its supply chain. Despite prior attempts, the company's efforts were unproductive:

> When I started doing meetings for integrated reporting and I talked as if it were new – we will find KPIs that will make links between things – [the social business manager[19]] told me **he had been trying for a long time, but he could not find [them]**. [The sustainable development reporting manager] said the same thing." (Nature CFO, May 2013)

When they published their first integrated report in 2016, the CSR director told us what was still missing: "more quantitative data. A lot more. For the examples, on the one hand. And on the other hand . . . integrated KPIs, you know. I wasn't dreaming. I knew it just wasn't possible." As she noted (CSR director, June 2015): "Anyway, and this is the trial-by-fire part on which we'll need to work: **the holy grail of this thing** will be the integrated indicators."

V. Discussion

Although it is not our intention to argue that IR is actually a divinity (to use our interviewee's terms), we suggest that IR displays the characteristics of a "rational myth" (Hatchuel and Weil, 1992; Hatchuel, 1998), i.e., an aspirational story whose purpose includes reflecting on, and systematically accounting for, the pursuit of a collective goal. In the present case this goal was to

[19] Gama has developed specialized branches in "social business," working directly with its supply chain to develop sustainable communities.

report on "global performance" (Chauvey et al., 2015; see also Solomon and Darby, 2005). This characterization of IR influenced the way actors embraced the management innovation, leading to some incarnation of the myth. We describe this process below.

Reflecting on the Journey: Adopting a Mythical Management Innovation

Embracing the rational myth

Rational myths are rooted in a vague understanding of the ultimate accomplishments of collective action, i.e., a result that must be achieved within an organization (Hatchuel and Weil, 1992). They embody both a symbolic representation of the objective to be achieved, as well as a rational account of how and why this objective should be pursued.

The fact that internal stakeholders at Gama perceived IR as a myth from the outset gave them the freedom and confidence to try and to invent new things since, according to them, nothing had existed beforehand. Through its aspirational appeal, the mythical dimension was instrumental in giving credibility to the process of adopting the rational myth, which was to be achieved collectively (Hatchuel and Weil, 1992). Gama's organizational actors envisioned IR as an emblematic and abstract concept that was yet to be concretized and they were transported by the potential it offered to show the company in its "true" light.

While the mythical dimension of IR was instrumental in getting Gama's organizational participants on board with the project, the debates surrounding the project's operationalization quickly focused on its rational dimension. Although aspirational by nature, for a rational myth to spur collective action the myth's innovative appeal should appear to be a logical objective to pursue (Hatchuel and Weil, 1992; Hatchuel, 1998). The idea of integrated reporting brought about by the IR myth was welcomed by Gama mainly because it resonated deeply with its own foundational myth, the "dual project." Organizational participants believed this dual project set them apart by integrating social and economic concerns into their operations. The links and connections organizational members made between IR and their corporate culture, strategy, and sustainability accounting suggest that the IR myth made sense, enabling organizational participants to get on board with the project.

Incarnating the rational myth

At the core of these symbolic and rational dimensions lies an "introspective discrepancy" (Hatchuel, 1998, p. 189, our translation) between what the rational myth conveys and the thinking about that same rational myth. This enables organizational actors to debate, conceptualize, and reconceptualize the intricacies of the myth (Hatchuel, 1998). Likewise, Gama explored the introspective discrepancies between the institutional requirements associated with IR – reflected in large part by the IIRC model – and its own vision of global performance under IR (Hatchuel, 1998; Hatchuel and Weil, 1992). The process of engaging in collective action resulted in learning, defined as the ability of all mobilized actors to transform their ideas and conceptions based on their conversations and exchanges with other actors (Hatchuel, 1998). Discussions included the format and content of the envisioned report. This learning served to define and redefine the myth through the thoughts and reflexions of the various actors participating in the collective action.

Introspective discrepancy ultimately enables rationalization, a dynamic process in which "concepts attempt to incarnate themselves, to take shape, or to uncover shape" (Hatchuel, 1998, p. 187, our translation) – in Gama's case, the publication of an integrated report. Given Gama's long-term

engagement with sustainability and social responsibility, "all" that supposedly remained for the company to do when it embarked on its IR journey was to (re)define how it envisioned communicating its dual project to the external world in an integrated report. But Gama's journey towards its initial incarnation of the IR myth did not unfold without problems.

The company took over five years to bring its myth to life – with further (re)definitions of the myth and its underlying report to come. The complexity of its dual project along with intense, self-imposed pressure to "get it right" led to multiple (re)definitions of the potential incarnation of the myth. It appeared that the gap between the IR myth pursued and its rationalization in the form of an integrated report was widened by the company's economic difficulties, creating additional challenges for the incarnation of the myth. The IR myth eventually became a way to reaffirm the company's dual social and economic strategy and to consolidate its shaken organizational culture.

In an incarnation process, it is likely that the distance between the myth and its incarnation will not be fully overcome (Hatchuel and Weil, 1992). We witnessed this at Gama: while happy to reach the publication stage, organizational participants were aware of the limitations of their report compared with their conceptualization of the IR myth. They felt they had not reached the level of integration they had hoped for and continued to reflect on integrated KPIs. The distance between the myth pursued and the process to be transformed via collective action may in fact explain some of the difficulties inherent in incarnating the myth (Hatchuel and Weil, 1992). Ultimately, *some* incarnation took place, with more redefinitions required for them to be "true" to their vision of IR.

Transition conditions

Although further research is needed to confirm the following assumptions, we suggest two conditions for an organization to embrace and ultimately incarnate, to a certain extent, a management innovation whose existence seems mainly imaginary. We refer to these two conditions as *faith* and the presence of an *introspective discrepancy infrastructure*.

Firstly, the managers involved in the IR project had "faith" in IR. They knew from the beginning that the aspirational nature of IR meant that they would need to invent certain elements. The foundational myth of the organization, referred to as the "dual project", instilled confidence among organizational actors that the IR myth could be embraced and ultimately incarnated. From their perspective, an integrated report could be authentic only if the strategy was already integrated, which was the case for Gama. This faith in the IR myth became especially important during the period of turmoil faced by Gama in 2013 and 2014. While the company had profound doubts about the aims it should pursue – questioning the foundational myth of the organization – both the Nature CFO and the CFO maintained their belief that Gama had to pursue the myth of IR in the future. Other managers also remained convinced of the validity of IR for Gama – despite the project being on hold. This faith helped the firm keep the IR project dormant despite the difficulties encountered and to revive it when the timing was right. Their faith was so significant that IR was eventually mobilized to reaffirm the firm's dual project – its foundational myth – through the publication of its first integrated report. The faith displayed by the actors ultimately helped Gama to overcome some of its challenges and to communicate its dual culture and related accomplishments externally.

Secondly, the company provided individuals with an organizational structure that favoured introspective discrepancy. Gama set up numerous meetings with representatives of various departments (including finance, strategy, sustainability, health, human resources, communications,

and risk) to foster collective exchanges at the organizational level. Such interactions are a key feature in the pursuit of collective action and are necessary for generating the mutual forms of learning essential to the (re)definition of a myth (Hatchuel and Weil, 1992; Hatchuel, 1998). Together, the internal stakeholders used the discrepancy between their understanding of <IR> and their vision of a mythical IR to shape their integrated report. Following the economic downturn and the questioning of the dual project, the changes made to Gama's organizational structure (with the Nature CFO gaining responsibility for sustainability reporting in her new CSR director role) allowed the company to renew this introspective discrepancy by both reviving the project and involving additional managers. These newcomers brought their experience of the organizational culture and their own vision of IR to the subsequent (re)definition of the myth, enabling Gama to move further away from the IIRC's <IR>.

Our experience and understanding of the field lead us to believe that the economic difficulties faced by Gama put the IR project at a crossroads. IR could have either ended or continued. As exposed above, the interplay between the transition conditions and the company's foundational myth played a fundamental role in pushing the project forward. Had these conditions and/or the culture been different, it is possible that IR would not have been envisioned as a rational myth. Similarly, while the presence of the Nature CFO/CSR director was significant, our analysis suggests that her influence was not as fundamental as the role played by the organizational culture and the transition conditions in the (extent of) incarnation of the myth. The dual project, the faith in IR, and the introspective discrepancy infrastructure were experienced by all organizational participants. IR helped the organization imagine a new future (Busco and Quattrone, 2015, 2017; Beckert, 2016) and maintain its foundational myth alive while strengthening it by reflecting on the type of value creation it wanted to pursue.

In light of their own IR myths, there is no assurance that competitors, investors, analysts, or NGOs would consider Gama's report to be a proper illustration of IR or of what corporate reporting should be. For instance, Gama's IR approach is not comparable with other companies, a feature that is often required by external stakeholders. Furthermore, our case comes to an end after the first integrated report was published. Gama recognized the need to develop integrated performance measures but, like other organizations, it had not worked out how to do this (Stubbs and Higgins, 2014; Steyn, 2014). As is the case for IR, Gama's incarnation of the myth will continue to evolve.

Reflecting on Integrated Reporting

The adoption process we describe above enriches previous research on integrated reporting on several levels. Firstly, it demonstrates that integrated reporting is mythical in nature. This mythical nature is tied to the promise of global performance reporting that IR conveys, a promise that social and environmental accountants have been trying to fulfil for decades (e.g. The Corporate Report (ICAEW, 1975), Corporate Social Accounting (Estes, 1976), ICAS's report on Making Corporate Reports Valuable (ICAS, 1988), Gray's ACCA report "The Greening of Accountancy" (Gray, 1990), the Global Reporting Initiative (GRI, 2000), and the Connected Reporting Framework (Accounting for Sustainability, 2007)). Since the inception of the IIRC, this mythical nature has been fuelled by the intense debates and multiple ambiguities that the movement has spurred (Adams, 2015; Atkins et al., 2015a; Brown and Dillard, 2014; Coulson et al., 2015; deVilliers et al., 2014; Flower, 2015; Reuter and Messner, 2015; Thomson, 2015; Tweedie and Martinov-Beenie, 2015). Envisioning IR as a rational myth implies that multiple modes of incarnation are possible, with varying portrayals of global performance. The introspective discrepancy between the concept and what it is meant to represent rests at the core of these multiple incarnations (see e.g. Van

Bommel (2014) and Atkins and Marroon (2015) for different interpretations of the IR myth).

Although rare, some examples of incarnation modes are described in the literature. Beck et al. (2017) demonstrate how a financial service firm strategically employed IR to foster integration within the firm and organize its reporting in accordance with its strategic positioning. This legitimacy-driven approach is likely to constrain how the firm reports on its global performance (O'Donovan, 2002). Lodhia (2015) shows how a customer-owned bank built on its ethical values and cooperative ownership structure to concretize its vision of the myth. Its reporting was grounded in a practical understanding of IR. While its values and ownership were likely to encourage broad accountability, the practical, rather than aspirational, vision of IR promoted by the bank coloured the portrayal of its global performance.[20] Likewise, Gama partially managed to incarnate the myth through the aspirational appeal it conveyed and the associated desire it fuelled to appropriately inform the outside world of its dual social and economic culture. The company went through multiple (re)definitions of the myth, guided by combining its dual project and its vision of IR but constrained by the team's self-imposed pressure to publish the "right" IR. The team eventually managed to bring its integrated report to life – while being aware that it had not fully materialized all the connections underlying the company's global performance.

Secondly, the study shows the importance of myths in transforming business (reporting) practices. The power of the IR myth's symbolic dimension to rally Gama's troops around the reporting goal resonates with arguments set forth by Christensen et al. (2013).[21] These authors argue that, given the uncertainty surrounding the nature of social responsibility and the ways of achieving it (not dissimilar to the ambiguity surrounding IR), a temporary gap between corporate talk and actions can motivate a transformation towards the aspirations conveyed in the talk, pushing the corporation to implement better social responsibility (reporting) practices. In other words, "[w]hen companies start talking about something, a productive narrative starts in which company members are triggered to address inconsistencies between actual and idealized realities" (Graafland and Smid, 2016, p.30). Christensen et al. (2013) refer to this phenomenon as performative aspirational talk. According to these authors, such performativity is most likely to yield positive outcomes when a corporation makes a public commitment (e.g. joining the IIRC pilot program) on a high profile issue (e.g. IR).

We witness this performativity in Gama's journey – actors were transported by the aspiration to integrate their reporting in the same way that Gama's corporate culture integrated social and economic issues. They eventually transformed their reporting practices in an attempt to move towards this goal – although they did not fully close the gap between their reporting aspiration and their reporting practices. A potential explanation for this partial incarnation of the myth resides in Onkila and Siltaoja (2017). They argue that the push towards better practices (present in the discrepancy between talk and action) might be insufficient to trigger change if the applicability of the proposed practices is deficient in the adopting organization. In Gama's situation, the challenges lie in implementing integrated social KPIs and the representation of connectivity – the CSR director even mentioned that she knew it was "impossible", a "utopia."

Cho et al. (2015) express doubts that a gap between talk and action has the potential to be aspirational. While Gama's partial incarnation may appear to be consistent with these authors' views, our findings suggest that acknowledging the mythical dimension of a management

[20] In some respect, Atkins et al. (2015b) and Stent and Dowler (2015) also reflect different incarnations of the myth.
[21] We are indebted to an anonymous reviewer for pointing this out.

innovation might (to some extent) counterbalance such concerns. First, embracing the mythical dimension of an innovation helps motivate and provide direction to the organizational actors (Christensen et al., 2013). The IR myth favoured reflexivity and encouraged the pursuit of an imagined future at Gama. It concurrently helped gather distinct, but consistent, individual efforts regarding the dual social and economic project under the broader IR myth. Second, it helps trigger actions towards transformation (Graafland and Smid, 2016). Adopting the IR myth brought different organizational members together to (re)define IR and translate Gama's dual strategy into its reporting practices, something it had failed to accomplish satisfactorily in the past because it lacked a common transcendental goal. Last, it helps achieve some level of transformation (Hatchuel and Weil, 1992): Gama's faith in IR gave it the courage to publish an integrated report grounded in its own understanding of the mythical innovation, departing from its prior reporting practices, from existing integrated reports, and from the IIRF. This transformation has the potential to generate further motivation for change, as demonstrated by Gama's awareness that its IR journey is not over. Nevertheless, we concur with Cho et al. (2015) that further research is warranted on the practical implications of this transformation.

Lastly, conceptualizing IR as a rational myth also has implications for the future of <IR>. Consistent with the sustainability accounting field, IR appears to be a complex, multidimensional, and antithetical notion (Bourguignon, 2005; de Villiers et al., 2014) and much more than the simple, all-inclusive, and consensual notion that most observers attribute to the IIRC's vision. The introspective discrepancy present in the myth is likely to make it difficult to standardize IR disclosures and to make them comparable. Consequently, ambiguities in the IIRC model are often perceived as spaces to be customized and adapted by each adopter, and might also have the unintended effect of generating different interpretations of what the IIRC promotes. As seen in our study, these ambiguities might even drive some dissatisfied organizations away from the movement the IIRC is attempting to stimulate and the leader the IIRC aims to become (see Humphrey et al., 2017).

Reflecting on the Adoption of Management Innovations

Previous research has demonstrated the key role of motivating rituals in the adoption of management innovations (Busco et al., 2015; Busco and Quattrone, 2015; 2017). Accounting inscriptions, in particular, tend to trigger change through the search process they fuel (Busco and Quattrone, 2017). The incompleteness and lack of perfection of accounting inscriptions create the space for individuals to look for better. We expose how, as rational myths, management innovations may serve as an "essential detour" (Hatchuel, 1998) to galvanize internal stakeholders into action and ultimately lead to the pursuit of collective goals (Hatchuel and Weil, 1992).

We enrich research on management innovations in three ways. Firstly, we demonstrate that for the motivating rituals to be effective, individuals need to be provided with an introspective discrepancy infrastructure or in other words a "ritual infrastructure" that helps them reflect and realize their aspirations. The search process is time consuming, difficult, and unpredictable. Gama wanted to give up on several occasions. What made the individuals pursue their dreams was their deep faith in the IR myth they wanted to incarnate. Although inherently individual, this conviction was nurtured by the organization. Gama not only offered them the space to share their vision of IR but it also instilled hope that these visions could become real. Based on these findings, we believe that the incompleteness and imperfection of management innovations are probably not enough for such innovations to be adopted, even if individuals have strong faith in the myth. What is also

needed, according to our results, is an organization's ability to collectively practice its organizational faith.

Secondly, we propose that adopting a management innovation whose existence seems imaginary by nature probably requires organizations to connect the motivating rituals to their own foundational myths. We show the importance for the company's foundational myth to be aligned with the mythical dimension of the management innovation. This implies that a company whose foundational myth is not aligned with the myth conveyed by the management innovation might find it difficult to adopt the management innovation. An organization that deeply believes in the maximization of shareholder value but that disregards global performance would probably find it hard to pursue IR to account for the value created for all stakeholders. The visions of the world sustained by these two concepts of performance are quite different. Acknowledging that both visions are mythical probably provides room for change. The question then becomes: Under which conditions would such a company agree to pursue another myth?

Lastly, we enrich previous institutional theory research by expanding the meaning of myths. To do this, we elaborate on the differences between "rationalized" and "rational" myths (Berglund and Werr, 2000). Meyer and Rowan's 1977 seminal paper on rationalized myths was clear as to what "rationalized" embodied (see Hallett, 2010 for a recent overview). The myth related to economic markets' belief in the superiority of rationality and norms as a means to maximize economic performance. The authors explained that companies in the post-industrial era were forced to implement formal structures to appear efficient and value neutral. Pursuing the rationalized myth implied placing a premium on objectivity, coordination, and standardization and the pursuit of economic performance – often understood as shareholder value maximization. The development of a vision of accounting as standardizing, neutral, and economic-driven was concomitant to the incarnation of the rationalized myth (Miller and Power, 2013).

We believe that the rationalized myth as envisioned by Meyer and Rowan (1977) is intrinsic to most existing business (reporting) approaches and management innovations alike. Management innovations are often adopted in the belief that they will help maximize profits, in one way or another (Zbaracki, 1998). We contend that the rational myth attached to IR by Gama could be the myth of tomorrow's practices. IR was not adopted by Gama on the premise that it would help increase shareholder value but to expose how Gama creates broader value(s) for all stakeholders. Such a transformation is difficult to achieve, however. It requires the company to question what are probably the strongest and most influential foundational myth in management, around which business practices are constructed. Indeed, the evaluation and institutional infrastructures attached to companies are based on rationalization and shareholder value maximization. As a result, it seems extremely difficult to convince a company to pursue global performance rather than financial performance if its foundational myth is attached to the second.

In addition, management innovations such as IR do not necessarily comprise ready-to-use "efficient" and "rational" formal structures that would allow organizations to copy existing standards – i.e. accounting inscriptions aligned with the rationalized myth (Miller and Power, 2013). The Global Report Initiative (GRI), for instance, provided companies with metrics that mirrored financial ones (Etzion and Ferraro, 2010). The absence of rational formal structures that could favour analogical reasoning with financial reporting is probably one way in which IR distinguishes itself from other management innovations. Gama not only had to invent a new way of working, it also had to find the courage to depart from its competitors. Gama's decision to depart from the IIRC framework and to offer a new type of reporting was a risky decision for which it could be

sanctioned (as was the case for its implementation of carbon accounting). Whether Gama's incarnation of IR will encourage other companies to embrace this new myth therefore remains to be seen.

One of the most powerful myths shaping today's management practices is certainly that of "shareholder supremacy" – the myth according to which the ultimate goal of business organizations is to maximize shareholder value. There is clear evidence that neither the legal nor the financial systems comprise such requirements, yet corporate reporting continues to favour shareholder value at the expense of global performance, leading most management innovations to pursue the maximization of financial performance (see Stout, 2012 and PRI, 2015 for reviews). Despite the importance of (shareholder supremacy) myths in the adoption of management innovations, research into the workings of these myths is scant. Our longitudinal ethnographic study of the adoption of IR is a first step towards such understanding. It provides an opportunity to further explore the imaginary function of management innovations and to initiate a reflection on the potential of corporate reporting to offer alternative myths to that of shareholder supremacy.

VI. Conclusion

We used an ethnographic study of a multinational consumer goods company to investigate how an organization adopted integrated reporting. Drawing on Hatchuel's rational myth (Hatchuel, 1998; Hatchuel and Weil, 1992), we show how the organization embraced the mythical dimension of IR, and the consequences that followed. This conceptualization acted as a springboard for IR adoption and implementation. Its mythical dimension was reflected in the promises of IR's potential accomplishments in light of the firm's own foundational myth.

The rational myth of IR served as an "essential detour" (Hatchuel, 1998) that galvanized internal stakeholders into action and ultimately led to several (re)definitions of the ideal concept of IR (Hatchuel and Weil, 1992), with future (re)definitions to come. The introspective discrepancy between the IR concept and its translation by the IIRC, along with managers' faith in the project, allowed the firm to challenge and debate elements of the IIRC approach and ultimately to (re)conceptualize and implement its own version of an integrated report. Our endeavour to explain the process through which the organization attempted to incarnate a rational myth led us to consider new forms of accounting that would favour organizational individuation over standardization.

Taken as a whole, our study helps to provide a better understanding of how reporting is constructed. We do this by adopting a "theorized engagement" approach (O'Dwyer and Unerman, 2016, p. 39) to portray "accounting in action", leading to the conceptualization of IR as a rational myth and the exploration of its ramifications. This approach also enables us to introduce Hatchuel's rational myth as a relevant lens for studying non-financial reporting, responding to the need for theoretical development in sustainability accounting research identified by Unerman and Chapman (2014).

Our ethnography nevertheless represents a single field engagement with the adoption of IR. Work is needed to examine whether the adoption process we unveiled can be found in different organizations and/or institutional contexts. While we exposed the way in which the adoption process of a mythical innovation unfolded, future research is certainly warranted to explore the different ways in which motivational rituals may unfold and to determine whether other rational myths share the same specific features as the one we studied.

The concept of rational myth (Hatchuel and Weil, 1992; Hatchuel, 1998) could be useful for understanding other phenomena of interest in sustainability accounting, beginning with "sustainable development" itself. The definition of the Brundtland Report offers a vague, although desirable, objective to be achieved, akin to a myth. An aspirational dimension certainly underlines this definition, one that motivates the collective action of sustainability accounting scholars. The introspective discrepancy between how sustainable development is imagined and reflected upon leads to its rational dimension where current attempts to (re)define the sustainable development myth occur (Laine, 2005; Tregidga et al., 2006; Gray, 2010) – and will most likely continue to occur in the future.

After seven years in the field, we are convinced that IR is indeed a myth. Accepting the mythical nature of IR helped us understand why <IR> and the IIRC have sparked so many debates. Myths are complex, thought-provoking, and popular. But myths are also imaginary and whimsical. They are questioned and criticized for appealing to beliefs rather than to science. Once we acknowledged this, factors that previously appeared to be problems suddenly became parts of the solution. What is unattainable indeed speaks not of what can be pursued.

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TABLES

Table 1: Participative Observation Meetings

Type of Meeting	Date	Minutes
IR presentation to Nature team	January 2012	129
IR project launch meeting	May 2012	82
IR project launch meeting with consulting firm	May 2012	74
1st workshop	June 2012	154
Meeting on web pilot	June 2012	90
2nd workshop	June 2012	121
3rd workshop	June 2012	217
4th workshop	June 2012	231
5th workshop	June 2012	153
July meeting between sustainable development reporting manager and Nature CFO (+consulting firm)	July 2012	84
July meeting between sustainable development reporting manager and Nature CFO (+consulting firm)	July 2012	113
Final meeting with internal stakeholders	July 2012	118
Total		1,566 (26 hrs)

Table 2 Non-participative Observation Meetings

Type of Meeting	Date	Minutes
IR meeting	April 2013	93
IR meeting	May 2013	98
IR meeting	November 2014	69
IR meeting	June 2015	135
IIRC French Group (presentation of Gama IR)	November 2016	45
Total		440 (7.3 hrs)

Table 3 Interviews at Case Company

Interviewee	Date	Minutes
Sustainable development reporting manager	July 2013	49
Communications manager	July 2013	36
Investor relations managers	July 2013	42
Environmental reporting manager	July 2013	48
Strategy manager	July 2013	32
CSR director (former Nature CFO)	July 2013	95
CSR director (former Nature CFO)	October 2013	71
CSR director (former Nature CFO)	June 2014	16
CSR director (former Nature CFO)	May 2016	40

Sustainability Reporting Manager	December 2016, February 2017, April 2017	Informal discussions not recorded
CSR director (former Nature CFO)	April 2017	15
Total		444 (7.4 hrs)

FIGURES

Figure 1: Nature team

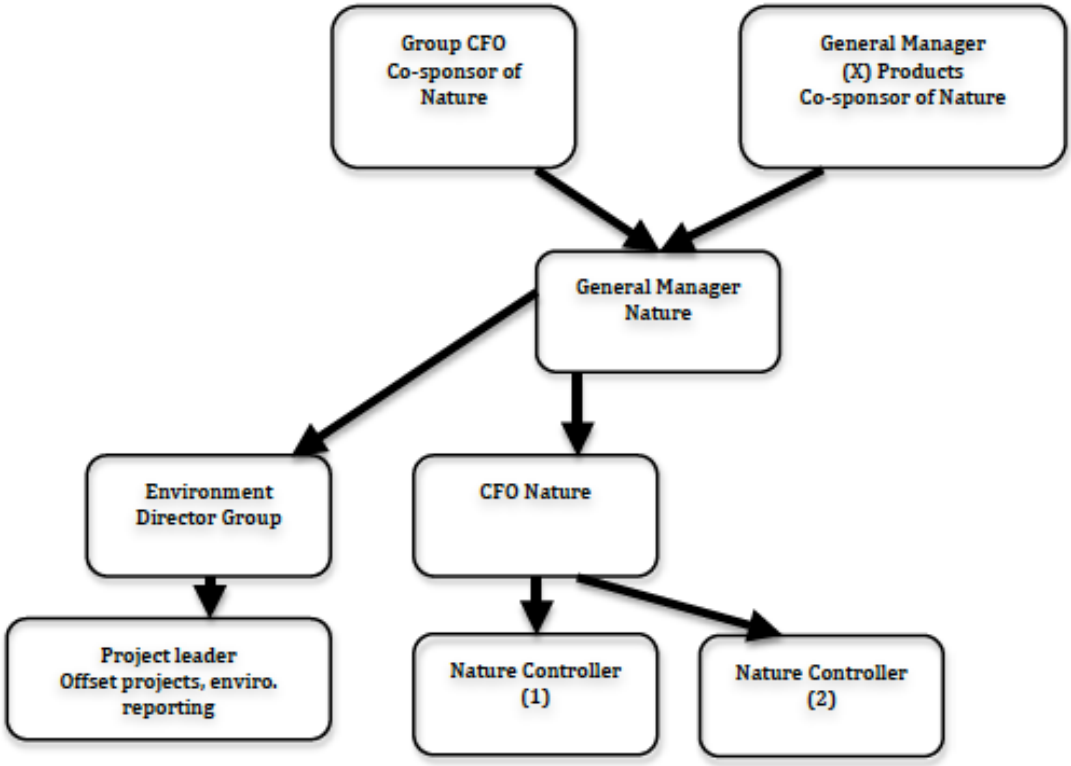


Figure 2: Ethnographic Involvement based on Schouten and McAlexander (1995) (Part 1)

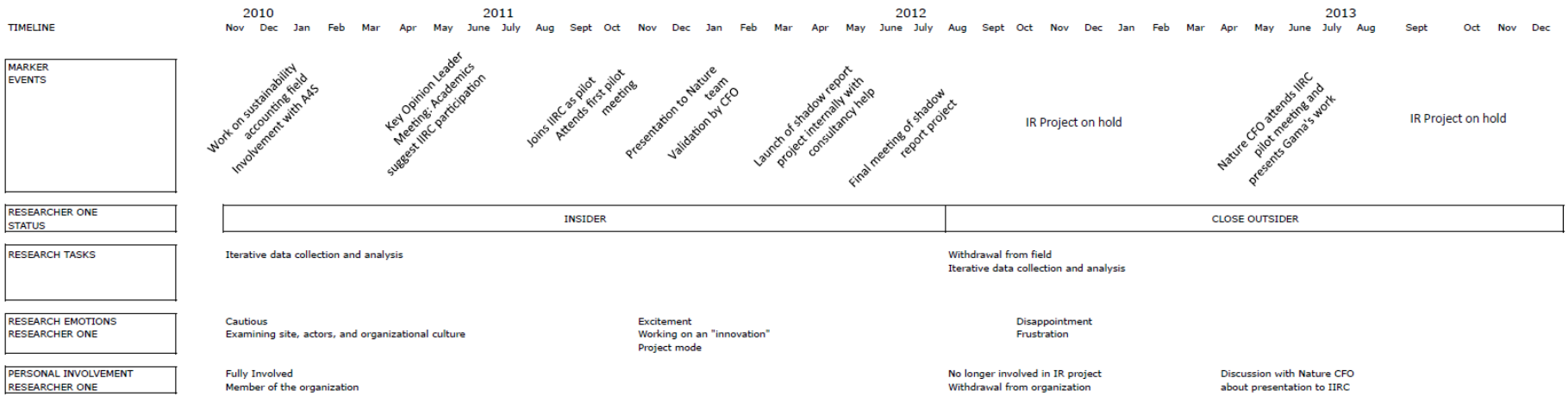


Figure 2: Ethnographic Involvement (see Excel file) based on Schouten and McAlexander (1995) (Part 2)

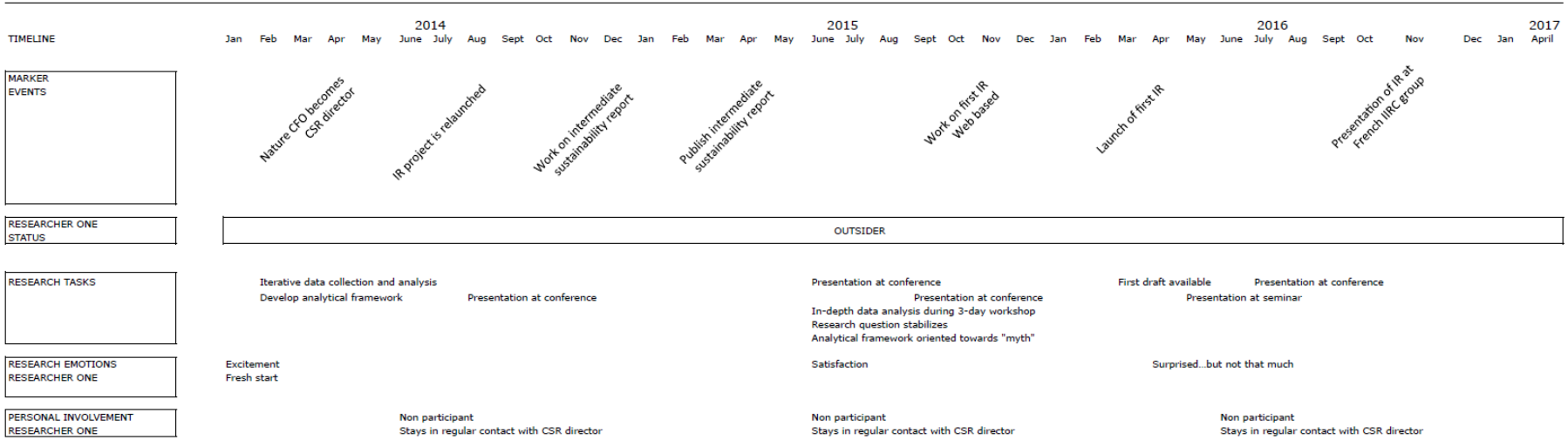
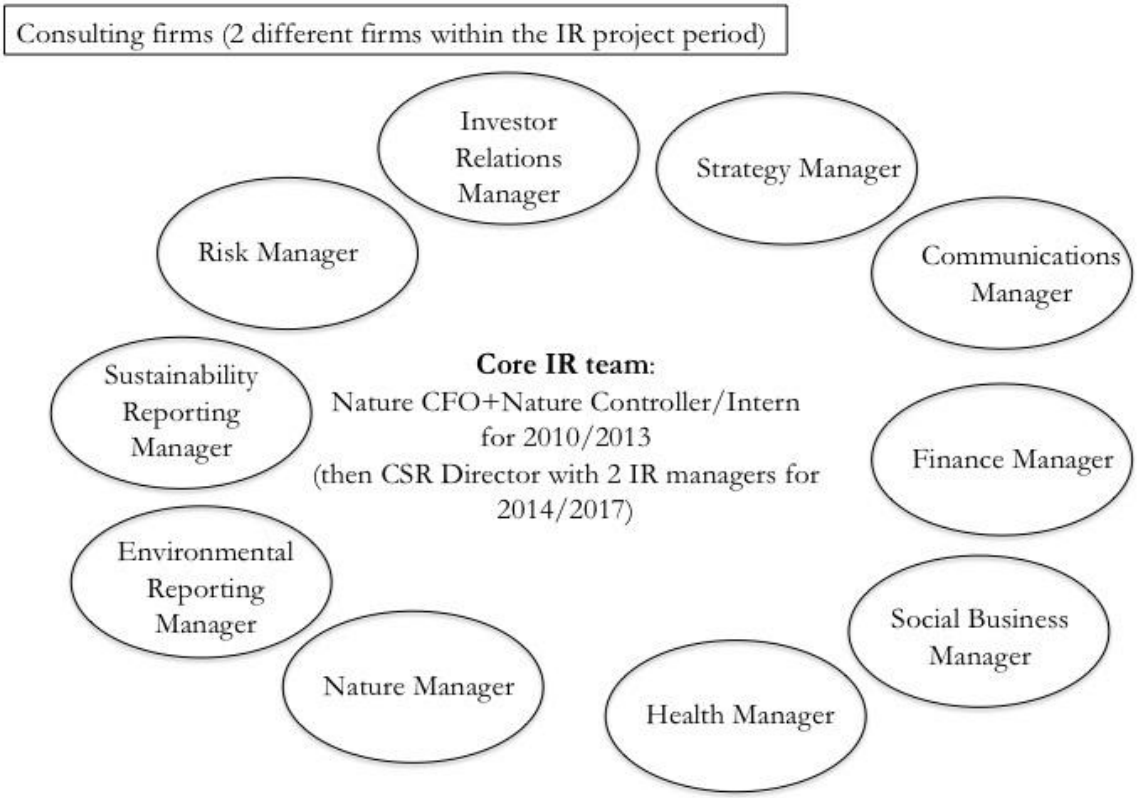
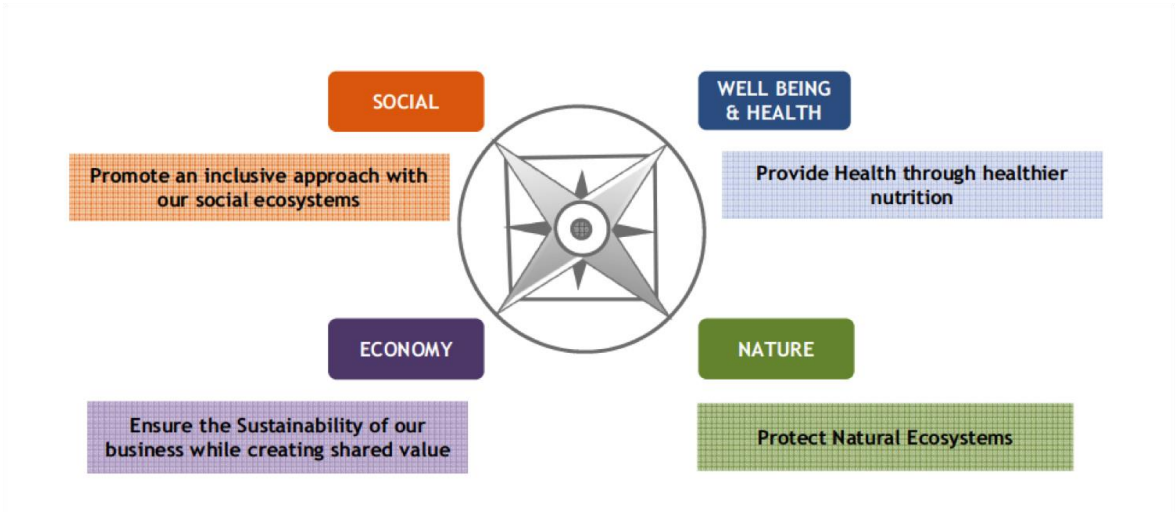


Figure 3: Internal Stakeholders in the IR Process



Nature team: the environmental department mandated to support the development of the environmental management plan.
Health team: the health team is in charge of managing certain aspects of the company's products.

Figure 4: The Four Capitals (also called the "Compass")



(Source: Gama internal presentation, reproduced with permission)