NARCISSISM, IMPRESSIONS MANAGEMENT AND SUSTAINABILITY REPORTING: A SEMIOTIC ANALYSIS OF NARRATIVES TEXT

A THESIS

A thesis submitted in fulfillment of the requirements for undergraduate
program in Faculty of Economics
Diponegoro University

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FACULTY OF ECONOMICS

DIPONEGORO UNIVERSITY

2011

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ABSTRACT

This thesis examines the CEOs consideration about overconfidence and narcissism in PT Aneka Tambang Tbk sustainability report. In preparing sustainability report, CEOs have an ample opportunity to design and give a view of point to show their success as a leader. Commonly, these traits are dangerous for company's performance in excessive case. This study aims are to analyze the way of PT Aneka Tambang Tbk in disclosing corporate social responsibility and analyze the CEOs overconfidence and narcissism.

This study uses impression management to robust the narcissism issue and semiotic to analyze the narrative text in sustainability report. In narrative text, CEOs made rhetoric to persuade the reader perception which also used in this study. The data used is sustainability report of PT Aneka Tambang Tbk in 2008 and 2009. The data obtained by downloading it from official website.

This study finds that in preparing sustainability report, PT Aneka Tambang Tbk used Global Reporting Initiative version 3.0 applications fully and also found that CEOs tend to employ narcissism in providing information on sustainability report. This study also gives an illustration about semiotic accounting in order to show the CEOs opportunities stages to influence the sustainability report.

Keywords: sustainability report, overconfidence, narcissism, impression management, narrative text, semiotic and rhetoric.

ABSTRAK

Penelitian ini bertujuan untuk mengetahui kecenderungan direksi PT Aneka Tambang Tbk terhadap overconfidence *dan* narcissism*. Dalam menyusun* sustainability report*, direksi memiliki kesempatan yang besar dalam mendesain dan memberikan pandangan agar isinya menunjukkan kesuksesan mereka sebagai pemimpin. Umumnya, perilaku ini berbahaya bagi kinerja perusahaan pada kasus yang berlebihan. Tujuan dari penelitian ini diantaranya adalah menganalisis cara PT Aneka Tambang Tbk dalam mengungkapkan tanggung jawab sosial perusahaan dan menganalisis* overconfidence *dan* narcissism *dari direksi.*

Penelitian ini menggunakan impression management *untuk memperkuat isu dan* semiotic *untuk menganalisis* narrative text *pada* sustainability report*. Dalam* narrative text*, direksi membuat* rhetoric *untuk mempengaruhi persepsi pembaca yang mana digunakan juga pada penelitian ini. Data yang digunakan adalah* sustainability report *PT Aneka Tambang tahun 2008 dan 2009 yang diperoleh dengan mengunduhnya dari situs resmi perusahaan.*

Penelitian ini menemukan bahwa dalam menyiapkan laporan keberlanjutan, PT Aneka Tambang telah menggunakan aplikasi Global Reporting Initiative *versi 3.0 secara penuh dan ditemukan juga bahwa direksi cenderung menggunakan* narcissism *dalam menyediakan informasi yang terdapat pada* sustainability report*. Penelitian ini juga menyajikan sebuah ilustrasi mengenai* semiotic accounting *untuk menunjukkan tahapan – tahapan yang memungkinkan direksi untuk mempengaruhi* sustainability report*.*

Kata kunci: sustainability report, overconfidence, narcissism, impression management, narrative text, semiotic *dan* rhetoric.

ACKNOWLEDGEMENT

With humble, I grateful to my Jesus Christ for blessing and giving me a passion to complete this thesis. This thesis intended to fulfill the requirement for undergraduate program in accounting department, Diponegoro University.

There are many people who contributed to this thesis in variety of ways, from academic advice on the research to personal support for me during this task. Especially I want to say thank you to:

1. Mr. Prof. Mohamad Nasir, M.Si., Ph.D., Akt., as dean of faculty of economics Diponegoro University.
2. Mr. Prof. Dr. Muchamad Syafruddin, M.Si., Akt., as dean of accounting department of faculty of economics Diponegoro University.
3. Mr. Anis Chariri, S.E., M.Com., Ph.D., Akt., as my thesis advisor who give much suggestion, support and motivation to research a topic that I felt passionate.
4. Mr. Marsono, S.E., M.Adv.Acc., Akt as my lecture advisor.
5. Lecturers and staffs of faculty of economics Diponegoro University.
6. My beloved father J. Purba Sidadolog and mother L.br.Sinaga who always give me the best from your own and unconditional love. You are always be the best parent in my life. You never give up helping, supporting and praying

me so that I can reach my dream. *Horas janah diateitupa ma hubani Bapa dohot Mama, andohar ma sai iramoti Tuhan Jesus nasiam. Amen.*

7. My oldest brother Jamauli Hamonangan Purba Sidadolog who shared me much experience of life. Thank you brother. May God always be there for you.
8. My sister Tetty Masdiana br Purba Sidadolog and brother in law Hasiholan Sidauruk. Thank you for your suggestion and pray to me. May God always blessing you and your little angel (Beata Lasmaria Sidauruk and Michael Abibro Sidauruk).
9. My brother Rado Heri Purba Sidadolog who always give me the best. I pray to our God so that you always humble. God always be with you.
10. My *Oppung* J. Purba Sidadolog (†) and A.br. Sidauruk (†). *Age pe lang ongga huidah nasiam Oppung tapi hubotoh do anggo tonggo nasiam manhasomani ahu.*
11. My *Oppung* DJ.Sinaga (†) and L.br. Sidauruk. *Mauliate ma tu hamuna Oppung. Sai Debata ma mandongani hamu jala tangiangkon ma hami siminik mu on.*
12. My *Namboru* D.br.Purba Sidadolog and family, *Namboru* S.br.Purba Sidadolog and family, *Bapa Tongah* J. Purba Sidadolog (†) and *Bapa Anggi* S.J. Purba Sidadolog and family. Thank you for your support and pray. May God always bless us.

13. My *Tante* Rosanna br Sinaga (†), *Tante* Rannes br Sinaga and family, and *Tulang* Sakkan Sinaga and family. I will always remember your advice and may God blessing you.
14. Someone special. Thank you for your support. God bless us. Amin.
15. *Om* Doddy, *Tante*, brother Elldo and brother Elldi. Thank you very much. You give me much experience of giving life and a color of life. May God always blessing you. Amin.
16. *Romo* Warno Binarja SJ, *Romo* Yitno Puspohandaya Pr and *Romo* Andi Iwan Msf. Thank you for sharing of life, praying together and suggestion. I will always remember what have you said to me. Please pray to our God so that I can understand the meaning of life. Be blessed.
17. My best friends in Medan (Freddy Siregar (†), Aden Sinaga, Fery Sirait, Sudung Sitindaon). *Unang lupa hita kedan… hehehe…*
18. Simalungunese youth in Semarang. *Diateitupa ma bani parhasomanan nasiam sadokah au i Semarang on. Andohar ma i pasu – pasu Naibata hita ganup.* Especially for *Tulang* K. Sitopu and family for your helping and pray. May God always blessing us. Amen.
19. Tegal Sari boy (Dedi Purba, Robert Sinaga, Joko and other). *Matur nuwun sing akeh… hahaha… Semoga kita diberkahi rahmat dan sukses selalu.*
20. My friends in faculty of economics. Hari Suryono (cah pwc netral_kus), Ariawan (bebek), Stefanus A (samin cukong), Hari Utomo (tom emon),

Tangguh (kotang), Yosua (papua), Adi (uno), Tegar R, Arie W, Murni alias Munir, Erida alias Mak errot, Prima and Lencoung Girls, William (adjubs), Anto, Teye, Timo (kai digan), Jeremy, Titus, Reza, Yeli, Irma, Indah and others. Thank you for your friendship as long as we together.

21. My KKN friends in Kembang Arum village. Yeltong (Yeli R), Rino, Reny (Si sapi kecil), Ilham, Sfipe, Regina, Ariska, Fahmi, Evi and others. Thank you Guys for your friendship.
22. My brother and sister in *Pelayanan Rohani Mahasiswa Katolik* (PRMK) faculty of economics. Thank you for brotherhood and may God always blessing us.
23. My brother and sister in *Persekutuan Doa Kasih Yesus* (PDKY) Semarang. Thank you for your praying and support to me. I will always remember all of you. Always praise our God with humble.
24. All people who contributed to complete this thesis that I can't mentioned one by one.

Semarang, March 2011

Huala Jekson Purba Sidadolog

This Thesis Dedicated to :

My Savior Jesus Christ

My Beloved Parent Jamidian Purba Sidadolog and Lukinar br Sinaga

My Oldest Brother Jamauli Hamonangan Purba Sidadolog

My Sister Tetty Masdiana br Purba Sidadolog and Family

My Brother Rado Heri Sondang Purba Sidadolog

(I Love You and May Lord Jesus Always Blessing Us)

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INTRODUCTION

1.1 Background

The increase of society demand about corporate social responsibility (CSR) has made a new consideration about social act. Many companies are under pressure from civil society organization and corporate accountability networks monitoring business malpractice (Scherer and Palazzo, 2007). In just one decade, corporate social responsibility (CSR) has become an extremely important economic, social and political question in both developed and developing countries and at local, national, regional and international levels (Carroll, 1999; Matten and Crane, 2005).

The notion that business has duties to society is firmly entrenched, although in the past several decades there has been a revolution in the way people view the relationship between business and society (Lantos, 2001). Nowadays, a corporate has to maintain the society trusty and legitimization of business by considering economic, environmental and social responsibilities which known as triple-P bottom line (people, profit and planet). This paradigm is also well-known as aspect of CSR. It also forces repositioning of strategies from profit-driven organizations with attention for the companies influence on social and environmental aspects (Dawkins and Stewart, 2003; Kim and Van Dam, 2003; Van Marrewijk, 2003; SER, 2000).

Corporate Social Responsibility (CSR) actually has its roots in the thinking of early twentieth century theologians and religious thinkers who suggested that certain religious principles could be applied to business activities (Lantos, 2001). These principles were devised a classic twofold statement of CSR based on religious thinking, namely the charity principles which required more fortunate individuals to assist less fortunate member of society and the stewardship principle, a biblical doctrine that requires business and wealthy individuals to see themselves as stewards or caretakers, not just of shareholder financial resources, but also of society's economic resources, and holding their property in trust for the benefit of society as a whole.

Nevertheless, the impact of globalization had a direct influence on the prominence of CSR (UNDP, 2007).[1] The fall of the Berlin Wall in 1989 marked the modern era of globalization, because it brought into being a world economy that was increasingly integrated and capitalistic. Globalization is characterized by rapid economic integration across national borders, open access to markets, deregulation of cross-border economic activity, and the free flow of capital and advanced technology.

The corporate failures, scandals and wrongdoing that have come to light since late 2001 also increased the global drive for CSR. The abuses at Enron, Tyco, Global Crossing, Adelphia and WorldCom in the US, and at Ahold in the Netherland, Parmalat in Italy, Equitable and, even more recently, Shell in Europe, have severely

[1] Background of Corporate Social Responsibility: Mapping Corporate Social Responsibility in Trinidad And Tobago by UNDP T&T
www.abovestudios.com/csrmapping/.../Background%20of%20CSR.pdf

impacted investor and other stakeholder confidence in the integrity of those charged with the supervision and management of large companies (UNDP, 2007).

The concept of CSR was also globally driven in the 1960s (UNDP, 2007) as a result of the growing sophistication of consumers. It must be pointed out that consumers still continue to play a significant role in the growth of CSR since consumers and pressure groups, especially in Europe and North America but also increasingly in developing countries, are demanding more responsibility from companies. The advance of technology has empowered these groups to effectively pressure companies, (especially those with high profile brands) and hold them accountable for their behavior or actions. UNDP also found that in many developed and developing countries, corruption is still widespread and there is a general lack of transparency and accountability which all give momentum to the emergence of CSR.

According to the Brundtland definition, CSR would contribute to diminishing world problems affecting sustainable development (Elkington, 1997; WCED, 1987). Similarly, the World Business Council for Sustainable Development (WBCSD, 1999) seeks to develop a clear understanding of corporate social responsibility, including a matrix of corporate social responsibility indicators.

There are many definitions and forces of CSR as there are writers, leaving the construct fuzzy (van Marrewijk, 2003; Gobbels, 2002; Henderson, 2001) and open to conflicting interpretations (Windsor, 2001). Some have equated CSR to morality (Freeman, 1994; Bowie, 1998; Phillips, 1997, 2003; Phillips and Margolis, 1999), corporate citizenship (Carroll, 2004; Matten and Crane, 2005; Andriof and Waddock, 2002), environmental responsibility (DesJardins, 1998; Rugman and Verbeke, 1998), corporate greening (Hussain, 1999; Saha and Darnton, 2005), green marketing (Crane, 2000), responsible buying (Drumwright, 1994; Emmelhainz and Adams, 1999; Graafland, 2002), stakeholder engagement (Freeman, 1984, 1994; Andriof *et al*., 2002), corporate accountability (Owen et al, 2000; O'Dwyer, 2005), business ethics (Stark, 1993; Fülöp *et al*. 2000), social responsible investment (Warhurst, 2001; Jayne and Skerratt, 2003; Synnestvedt and Aslaksen, 2003; McLaren, 2004), diversity management (Kamp and Hagedorn-Rasmussen, 2004), human rights (Cassel, 2001; Welford, 2002), responsible supply chain management (Spekman *et al*, 2005; Amaeshi, 2004a), genuine stakeholder engagement (Donaldson and Preston, 1995; Andriof *et al*., 2002), sustainability (Bansal, 2005; Amaeshi, 2004b; Korhonen, 2002), corporate giving and philanthropy (Carroll, 1991, 2004). All these render CSR a multi-purpose construct.

Pryce (2002) cites the "five forces" of driven CSR in business: customer pressure, changes in business procurement, government legislation and pressure, the rise of socially responsible investment (SRI) and the changing expectations of employees. Further, Dawson (2004) cites the growing number of revelations of poor ethical and professional standards in business which has subsequently called into question the judgments and moral integrity of business leaders and their professional advisors.

Carroll (2004) argued that CSR is made up of the following components in a bottom-up order: (1) economic responsibility – ‘be profitable’ (2) legal responsibility – ‘obey the law’ (3) ethical responsibility – ‘be ethical’ (4) philanthropic responsibility –‘be a good global corporate citizen’.

CSR is an important business strategy because, wherever possible, consumers want to buy products from companies they trust; suppliers want to form business partnerships with companies they can rely on; employees want to work for companies they respect; and NGOs, increasingly, want to work together with companies seeking feasible solutions and innovations in areas of common concern. Satisfying each of these stakeholder groups allows companies to maximize their commitment to another important stakeholder group—their investors, who benefit most when the needs of these other stakeholder groups are being met.

> I honestly believe that the winning companies of this century will be those who prove with their actions that they can be profitable and increase social value—companies that both do well and do good….Increasingly, shareowners, customers, partners and employees are going to vote with their feet—rewarding those companies that fuel social change through business. This is simply the new reality of business—one that we should and must embrace.[2]

Actually, CSR is not a century of a new concept in the world even in Indonesia. In the world, the corporate responsibility had been visible in the 70s and 80s of the last century when negative environmental consequences of our rapid

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[2] Carly Fiorina Chairman and Chief Executive Officer Hewlett Packard Company
http://www.hp.com/hpinfo/globalcitizenship/csr/

industrial growth appeared and had to be solved (SER, 2003; Willems, 2003 in Quaak *et al*., 2006).

In Indonesia, rumor about CSR had been known since 2001 (Nugroho, 2009). CSR activities had been hold by organizations and corporate before 2001 but only a few of them reporting their CSR at the time. It might be caused by unavailable of guidelines or regulatory which regulate the corporate to report their CSR activities. In July 2007 Indonesia was the first country to announce a mandatory law (number 40 subsection 66 (2)) regarding CSR, which applies to companies using natural resources (CSR Asia 2007). Due to the law, the public debate in Indonesia regarding CSR has increased and the Indonesian business community promotes the concept of CSR to the local SME's as a way to reach the US and European markets (Rosser *et al*., 2008).

Furthermore, Simon and Fredrick (2009) argued that CSR in Indonesia has its core in giving something back to the local community and performs all CSR programs on a participatory basis whereas involve local inhabitants like building infrastructure, contributions to local school healthcare and economical support.

CSR in Indonesia can be describes as philanthropic responsibility. Philanthropic responsibility in Indonesia is not equal to develop countries, due to the social and cultural circumstances. Simon and Fredrick (2009) notion that developed countries base their CSR on taxes and individual commitment. While Indonesia base

CSR on ad hoc and are not entirely ready to be a national program and this also derives from mass poverty.

As a part of business, accounting strives to follow this development to disclose all corporate activities as one entity. There have been growing concern in academic literatures that the traditional financial disclosure framework by organizations is insufficient because: (a) it has failed to adapt to the changing nature of business; (b) that it no longer meets the changing needs of investors; and (c) that it fails to recognize a wide enough circle of users (ICAEW, 2004, p.6). Traditional accounting has long been criticized for providing information about financial position. It fails to present the dynamics of business-value-creating activities and how politico-socio factors may affect or be affected by business-value-creating-activities (Finch *et al*., 2008).

The traditional financial accounting framework is too narrow if viewed from corporate social responsibility perspective (Guthrie & Parker, 1993). The business income concept needs to be expanded (Bedford, 1965) because economic performance is not an index of total welfare (Bedford, 1965; Pigou, 1938). Since business activities have both economic and social impacts (Estes, 1976), businesses must meet societal expectations of both profit generation and contributions to the quality of life in general. This is also consistent with the concept of social contract of the legitimacy theory (CED, 1971).

The publication of *Cannibals with Forks* (Elkington, 1997) focused the business community on the links between environmental, economic and social, coined the term of triple bottom line and convinced many leading companies to embrace sustainability using his triple bottom line theory. The Global Reporting Initiative (GRI) builds upon the foundations of triple bottom line to provide a framework for reporting and social accounting. The GRI is a voluntary set of guidelines for reporting on the economic, environmental and social aspects of an organization's activities. The sustainability reporting guidelines are a framework to report economic activities, environmental activities and social performance which known as sustainability report.

Sustainability report comprises narrative text, photo, table and graphic which explain the corporate sustainability implementation. It is designed by CEO as rhetoric to give a good image by using narrative text. Neither the CEO use narrative texts to explain an argument in regard to company established nor establishing performance. Management usually uses narrative texts in corporate financial reporting to deliver messages concerning risks, opportunities and threats faced by the company (Chariri, 2007). Corporate delivers the messages as a communication strategy to build social trusty by using impression management. Management used to make the sustainability report to present a positive view of corporate performance.

In preparing sustainability report, CEO need to think much more closely about the specific words used (Armenic and Craig, 2008). Commonly, CEOs project themselves as the corporation they lead, construct a narrative about the corporation and themselves using accounting, and then reflect on how their accounting-constructed performance is perceived by stakeholder. Furthermore, Armenic and Craig (2010) argued that there is an iterative discourse cycle involving extreme CEO narcissism and financial accounting language because CEOs have an ample opportunity to influence content of sustainability report and some special features possessed by financial accounting facilitate narcissism in susceptible CEO.

There are some studies on sustainability reporting have been conducted with different approach like content analysis (Gill and Dickinson, 2008); (Douglas et al., 2004), descriptive statistic (Aras and Crowther, 2008) and performance (Simnett et al., 2009) but sometimes the researcher regardless the linguistic aspect which construed those reports So, this research became reasonable because it will explore and explain the narrative text in sustainability report and only a few of researchers give their attention to this aspect issue.

Based on the above argument, the purpose of this research is to analyze the narrative texts which are used by management in sustainability reporting. This research used communication media as ontological point of view. Commonly, communication media is constructed in rhetoric form and as part of language, rhetoric is inseparable from semiotic aspect which in this research used as analysis tool. This research also used interpretative paradigm and qualitative approach to analyze the sustainability reporting of a mining company, namely PT Aneka Tambang Tbk. This company had considered about social act for a long time.

1.2 Problem Formulation

Nowadays, many companies disclose their corporate social responsibility rapidly. Every company has own ways to report their CSR activities such as corporate website, annual report, newspaper and other mass media.

According to National Center for Sustainability Reporting (NCSR), there are fifteen companies won Indonesia Sustainability Reporting Awards (ISRA) 2009 which divide into six categories which one of the winner is PT Aneka Tambang Tbk. PT Aneka Tambang Tbk also became a winner the best sustainability reporting in ISRA 2008. PT Aneka Tambang Tbk has practiced CSR for a long since but made sustainability report since 2005.

Therefore, seem to be done to analyze PT Aneka Tambang Tbk sustainability report practices. Specially, the following research questions will be investigated:

1. How does PT Aneka Tambang Tbk report their CSR in Sustainability Report if compared with Global Reporting Initiative (GRI) Sustainability Reporting Guidelines version 3.0 and mining metal sector supplement?
2. How the CEOs manage sustainability report to boost executive overconfidence and show narcissistic through narrative text?

1.3 Research Objectives

The objectives of this research are to:

1. To understand and analyze the way and content of CSR disclosure on sustainability report of PT Aneka Tambang Tbk.
2. To understand and analyze the CEOs tendencies to construct and show the self-esteem and narcissistic through narrative text.

1.4 Research Purpose

This research expected to give some benefits to interest parties of CSR:

1. Academician expected to give another view about sustainability reporting and how it's report impact the corporate image and performance.
2. Corporate would provide a qualify information and increase the information quality which disclosed in order to become a pioneer in the mining industry.
3. Stakeholder would understand the content and get the essentials information about sustainability reporting in order to make an investment decision.

1.5 Structure of This Thesis

CHAPTER I : INTRODUCTION

This chapter consists of background of this research which explain about the corporate motivation to do social activities, history and force of corporate social responsibility (CSR).

CHAPTER II : LITERATURE REVIEW

This chapter consists of theories that used as research basis and explained the previous researches which relate with corporate social responsibility (CSR) and sustainability reporting (SR). The previous researches are used to develop theoretical framework.

CHAPTER III : RESEARCH METHODS

This chapter explains about research design, type and source of data, data collection method, research object, and data analysis. This research use qualitative approach.

CHAPTER IV : RESEARCH FINDINGS AND DISCUSSION

This chapter consists of narrative text analysis of PT Aneka Tambang sustainability report. The analysis tool is semiotic which try to explore and explain the implicit information on sustainability report.

CHAPTER V : CONCLUSION

This chapter consists of conclusions, limitations and recommendations of this research and directions for future research.

CHAPTER II

LITERATURE REVIEW

2.1 Accounting as Business Communication

Accounting become a communication tool when management issue annual or sustainability report and convey it to shareholder and other stakeholders. The annual or sustainability reports are an essential part of business communication.

> "Annual reports have for main goal to communicate, in an easily understandable way and timely, reliable and relevant information about the passed, present and future activities of an organization, to inform the economic decision process." (ICCA, 1992, p.l)

Communication will be successful if the authors and information receiver use same language perception. The successful communication is inevitable from what the author wanted to say and how the receiver will understand. In the reporting context, communication is used by management to convey the message to stakeholders, and the message must be easy to understand.

Communication is construed by coherent symbol/sign. Then, the symbols/sign are codified and organized conceptually until shape word. A word has two construer component namely symbol or lexical characteristic and grammatical rules (Leach, 1981). CEOs select and use words in order to make an impressed corporate performance. Hence, the statement in annual or sustainability report had been passed many phase neither in words selection nor expression ideas.

The successful communication is influenced by many factors. In order to make a good report, CEOs have to understand the perception and cultural of receivers. A good communication must be delivered in two way communications. Communicator in annual or sustainability report should know mental universe, cultural universe, speech level, perception of self and perception of the receiver (Breton, 2009).

In the communication scheme, meaning is in the message from source (Shannon and Weaver, 1949). The message is delivered through canal/transmitter (in verbal or written form) and noises[3] influence the quality and quantity of message. Source and receiver might be have a difference in mental universe, cultural universe, speech level and perception of self in order to understand what the author mean and what the receiver understand.

In the business context, the corporate management convey the message to their stakeholder. Before management deliver the message through sustainability report, the first thing that management have to do is mapping the mental universe, cultural universe, speech level and perception of self of their stakeholders. This condition described with a scheme in the next page.

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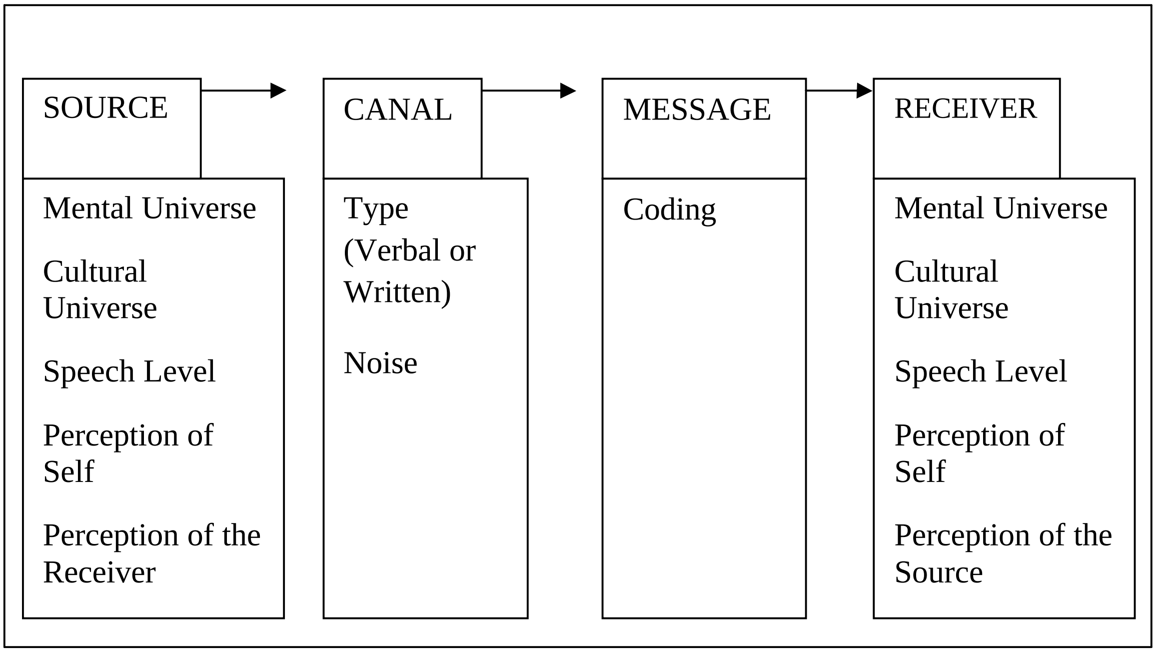
[3] Noises are extraneous information which must filter out (Wiener, 1948)

Figure 2.1

Communication Scheme



Source: Semiotic analysis of storytelling in the annual report (Breton, 2009)

The above figure shows that communication is began from source to receiver stage. Both of these stages are influenced by mental universe, cultural universe, speech level, each perception. The source is the subject who is familiar with signified phenomenon, namely the producers of accounting information (persons whose job is to observe the event and transaction). The second stage is type of information (verbal or written). And then the next stage is coding, the information is corresponded to certain ideas (account matching). The last stage is receiver of information (the internal and external users of the accounting information). The first and the last stage probable have a similar or different value to understand the information.

2.2 Sustainability Reporting (SR) and Global Reporting Initiative (GRI)

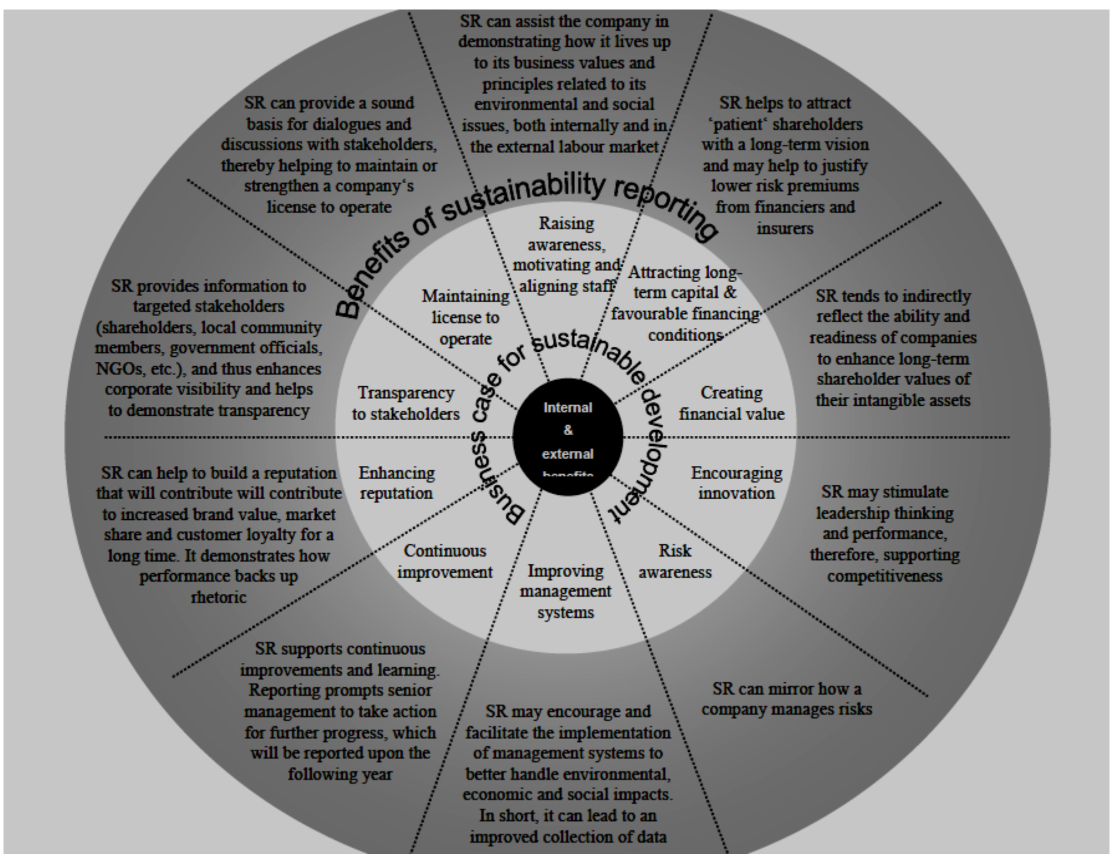
Much of the demand for sustainability reporting comes from the investment community (Clikeman, 2004). In developed countries, investors always consider the corporate social responsibilities performance before invest their money in a business. This situation had boosted up the companies to disclose their social, environmental and economic performances in order to get potential investor.

The general reason for the attention on sustainability reports is its emerging commercial value. To investors, sustainability reports are important in two aspects (Peiyuan *et al*., 2007): First, the environmental performance and social performance are important bases for social and environmental analysis, as the current financial disclosure cannot comprehensively reveal the risk, debts, and returns of enterprises. Second, investors have gradually increasing regard for the environmental and social risks as important indicators of enterprises' efforts to improve corporate governance and increase transparency. So, nowadays many investors use sustainability performance as benchmark of going concern of business entity. This condition is reflected by the increase of sustainability report in the world.

According to Global Reporting Initiative (2006), sustainability reporting is the practice of measuring, disclosing, and being accountable to internal and external stakeholders for organizational performance towards the goal of sustainable development. European Commission (2001), defined corporate social responsibility as a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. This view is also supported by World Business Council for Sustainable Development (WBCSD, 2002) defined sustainable development reports as public reports by companies to provide internal and external stakeholders with picture of the corporate position and activities on economic, environmental and social dimensions.

Further, WBCSD explain the benefit of sustainability reporting which described in the next page: **Figure 2.2**

Benefit of sustainability reporting



Source: World Business Council for Sustainable Development (WBCSD, 2002)

Various recommendations and guidelines for sustainability reporting have been published during recent years. Most prominent and most widely used are the Global Reporting Initiative (GRI) Guidelines. The GRI was launched in 1997 in Amsterdam as a joint initiative of the US non-governmental organization Coalition for Environmentally Responsible Economies (CERES) and United Nations Environmental Programme with the goal of enhancing the quality, rigor and utility of sustainability reporting.

The Global Reporting Initiative (GRI) is a network-based organization that pioneered the world’s most widely used sustainability reporting framework. GRI is committed to the Framework’s continuous improvement and application worldwide. GRI’s core goals include the mainstreaming of disclosure on environmental, social and governance performance.

GRI's Reporting Framework is developed through a consensus-seeking, multi-stakeholder process. Participants are drawn from global business, civil society, labor, academic and professional institutions. Sustainability reports based on the GRI Framework can be used to demonstrate organizational commitment to sustainable development, to compare organizational performance over time, and to measure organizational performance with respect to laws, norms, standards and voluntary initiatives.

Now, GRI has global strategic partnership with OECD (Organization for Economic Cooperation and Development), UNEP (The UN Environment

Programme**),** UNGC (The UN Global Compact) and synergies with The Earth Charter Initiative**,** International Finance Corporation**,** International Organization for Standardization (ISO) and The United Nations Conference on Trade and Development (UNCTAD).

GRI promotes a standardized approach to reporting to stimulate demand for sustainability information **–** benefitting both reporting organizations and report users.

The GRI purpose is to support companies in creating sustainability reports that integrate social, environmental and economic impacts of business. The GRI intends to establish their guidelines as an internationally accepted framework that promotes comparable sustainability reporting. The current version of the guidelines (GRI-G3) is 3.0 with some supplement.

The new framework contains principles and guidance for defining content and quality of the sustainability report as well as for setting the report boundaries, i.e. the decision, which entities of the company are included in the report. The guidelines require standard contents for sustainability reporting regarding the organization's profile, its governance-structures and processes, and the management of sustainability issues including goals and environmental, social and economic performance indicators (Isakson and Steimle, 2009).

The GRI report produced by a company will reflect the recommendation of five sections of the reporting guidelines:

1. Vision and Strategy – A description of the reporting organization strategy for sustainability including a statement from its CEO.
2. Profile – An overview of the reporting organizations structure and operations and scope of report.
3. Governance structure and management system – An overview of the governance structure, overarching policies, and management system to implement the company's vision for sustainable development and to manage its performance.
4. GRI Content Index – A table indicating where information is located in the entity's report.
5. Performance Indicator – Quantitative measures of the reporting organization's economic, environmental, and social performance.

2.3 The Concept of Narcissism

Ellis (1898) in (Chatterjee and Hambrick, 2006) introduced narcissism to the psychology literature, drawing the label from the young man in Greek mythology, Narcissus, who fell in love with his own reflection in a pool and ultimately perished as a result of his self-preoccupation. Armenic and Craig (2007) notion that narcissism is "a pervasive pattern of grandiosity (in fantasy or behavior), need for admiration and lack of empathy…". The research found that people with narcissistic tendencies seem to have some advantage in the tough, often Darwinian-like contest of appointment as CEO. Although there are circumstances when a CEO's narcissism might be good for a company, it can be destructive when extreme.

In many companies, competition for appointment as CEO is an intense battle and perhaps individuals with strong narcissistic personality features are more willing to undertake the arduous process of attaining a position of power (Kets de Vries and Miller, 1985). Business executive, particularly CEOs, have personal interest to attain prestige and power, and considerable to control over the form and fates companies (Chandler, 1962; Finkelstein and Hambrick, 1996). Thus, researchers have long been interested in their personalities and how those personalities are manifested in organizational outcomes. Moreover, some researchers have developed psychometric scales of measuring narcissism by using Narcissistic Personality Inventory (Raskin and Hall, 1979).

In a factor analysis of Narcissistic Personality Inventory (NPI), Emmons (1987) identified four factors and labeled them namely:

1. Exploitativeness / Entitlement (I insist upon getting the respect that is due to me);
2. Leadership / Authority (I like to be the centre of attention);
3. Superiority / Arrogance (I am better than others);
4. Self-absorption / Self-admiration (I am preoccupied with how extraordinary and special I am).

According to the fourth edition of the American Psychiatric Association's Diagnostic and Statistical Manual of Mental Disorders (DSM-IV), there are nine traits associated with narcissism:

1. Belief in a grandiose sense of self-importance;
2. A preoccupation with fantasies of unlimited success, power, beauty, or ideal love;
3. Seeks recognition as being superior, special, or unique by others;
4. Seeks excessive admiration from others;
5. Expects a sense of entitlement – i.e., unreasonable expectations of favourable treatment from others;
6. Consciously exploits others to gain personal desires;
7. Lacks empathy towards others;
8. Envious of others and believes others are envious of them; and finally,
9. Displays arrogant, rude, and snobbish behaviours towards others (American Psychiatric Association, 2000).

Armenic and Craig (2007) give four tell-tale sign CEO-speak are indicative of narcissism:

1. Hyperbole: A narcissist CEO may deploy hyperbole profusely to portray his company (and by inference himself) as very special, dynamic, expanding and invincible. Any persistence of such hyperbole reflects a fantasy of unlimited

success, power, brilliance and a grandiose sense of self-importance. Over-use of self-referential superlatives gives readers a clear sense that the company is one they should envy; that it has a lack of empathy for others; and that it harbours an arrogant and haughty attitude.

2. Self-styling as an archetypal company: A narcissist CEO will use language to portray his company (and by inference himself) as an exemplary success story and a quintessential model for emulation. This helps reflect a grandiose sense of importance; a pre-occupation with fantasies of unlimited success, power, brilliance; and belief in being ‘‘special’’ and unique.
3. Language of war, sport and extremism: The blatant self-touting of ‘‘success’’, ‘‘leadership’’, ‘‘winning’’ and achieving a ‘‘record’’ may be another characteristic of narcissist text. This was typified in the claim by Enron’s Jeffrey Skilling and Kenneth Lay in their last letter to shareholders (for 2000) that ‘‘Enron’s performance in 2000 was a success by any measure, as we continued to outdistance the competition . . . ’’ This claim is arrogant hyperbole and self-reification, and reflects a grandiose sense of self-importance; and an arrogant and haughty attitude.
4. Excessive self-attribution: Excessively ascribing company success to oneself might also be a marker that is consistent with destructive narcissism. Frequent use of words such as ‘‘I’’ and ‘‘my’’ might signal an unrealistic sense of self-importance.

Michael Maccoby (in McMahon and Rosen, 2009), a leading expert in the area of narcissism within organisational contexts, describes the narcissist as:

1. Sensitive to criticism, leading to abrasive communications with employees who doubt them or subordinates who are not tough enough to fight back. The coach requires a robust personality and balanced self-esteem to withstand such onslaughts, together with the understanding and sensitivity of the underlying vulnerability of the individual concerned. In addition, coaching supervision is key element in helping the coach remain grounded when dealing with such individuals.
2. A poor listener, especially when he feels threatened or attacked. Positioning coaching itself is a challenge as individuals are likely to resist it when they perceive it as remedial or threatening. The skilled coach who can sell the business benefits related to personal success will be more likely to be accepted or at least given a ‘try’.
3. Having a lack of empathy, suggesting that forcing him to complete a 360 degree evaluation will not make him more empathetic. He does not want to change, especially if he is successful, because he doesn’t think he will benefit from changing. Therefore, this type of endeavour has to be linked back to the idea of increased success for him.
4. Disliking mentoring. Most prefer mentors they can control as, although they appear to be at ease with other people, they find creating a supportive and

intimate relationship with others very difficult. If the individual does have a mentor, the coach needs to work closely with him on strategies that are most likely to help the mentor manage the mentee and the mentee gain the most from the process.

5. Someone who has an intense desire to compete – he is relentless and ruthless in his pursuit of victory and getting one over on the coach could be seen as a victory, which means the coach has to be constantly aware of the coaching relationship and the impact of interventions on the client.

Narcissism is quite common in CEOs, because it is often their grandiose sense of self-importance, preoccupation with success and power and arrogant behaviour that actually helped them get to the top job in the first place. In excess, however, narcissism is dangerous and can suggest a leader who is self-deluded and out of touch with reality. Narcissistic leaders tend to resent constraints on their leadership and favour supine executive directors. They similarly feel they are immortal and thus see little need for succession planning (Armenic and Craig, 2008).

2.4 Impression Management

Schlenker (in Bristow and Sachau, 1998) defined impression management as the conscious or unconscious attempt to control images that are projected in real or imagined social interaction. Some researchers found that impression management refers to the process by which people attempt to control or manipulate the reactions of others to images of themselves or their ideas (Palmer, Welker, Cambell and Magner, 2000).

Tetlock and Manstead (in Bristow and Sachau, 1998) proposed two main type of impression management namely:

1. Term assertive impression management, is design to improve an individual's social image. Assertive impression management is triggered by self-enhancing motives activated by perceived opportunities for creating favourable impressions on others.
2. Term defensive impression management, is design to protect an individual's established social image. Defensive impression management is triggered by a negative affective state (i.e. embarrassment, shame) activated by perceived threats to a person's social image.

Although impression management is typically discussed as a means of personal influence, in its broader application, it may occur in any situation where an organisation's representatives act as gatekeepers of information, and in doing so, affect audiences attitude, opinion and behaviour (Stanton and Pires, 2004). According to Clatworthy and Jones (in Davies and Brennan, 2008) in a corporate reporting context, impression management is regarded as attempts to control and manipulate the impression conveyed to users of accounting information.

Impression management provides a rationale for corporate communication, which is controlled and managed, and is influential and persuasive (Stanton and Pires, 2004). Furthermore, Neu *et al*. (1998) notion that impression management occur when management selects information to display and present that information in a manner that distorts readers perception of corporate achievement.

Some researchers found the use of impression management in corporate document like syntactical manipulation (Courtis, 1998; Clathworthy and Jones, 2001; Rutherford, 2003; Courtis, 2004; Merkl-Davies, 2007), rhetorical manipulation (Thomas, 1997; Jameson, 2000; Sydserff and Weetman, 2002; Yuthas *et al.*, 2002), attribution of organizational outcomes (Baginski *et al*., 2000; Aerts, 2005; Ogden and Clarke, 2005; Barton and Marcer, 2005), thematic manipulation (Rutherford, 2005; Henry, 2006; Matsumoto, 2006; Davis *et al*., 2007), selectivity (Lougee and Marquardt, 2004; Johnson and Schwartz, 2005), visual / presentation effect (Courtis, 2004; Bowen *et al.*, 2005, Kelton, 2006; Elliot,2006), performance comparisons (Cassar, 2001; Short and Palmer, 2003; Krische, 2005).

In reporting context, it can be seen that impression management have a big role for management to produce report. Corporate management use impression management to make good image even the true is opposite and to conceal the information. They also select information which has to disclose and make the readers are believe the corporate performance. This condition made the stakeholders more confident that the firm work efficiently and effectively to gain their investment.

2.5 Semiotic Theory

Nazarova (1996) defined semiotic as theory of sign system. Nowadays, many researches try to address everything to sign. As the study of system, Neill (2008) said that the basic aim of semiotic theory is to understand the structure of sign system in relation to the way they convey meaning. Semiotic takes the view that signs can be organized within various media, to form text that can convey some kind of meaning.

Saussure (in O'Neill, 2008) posited that texts/words, in order to convey meaning, consisted of two distinct parts namely:

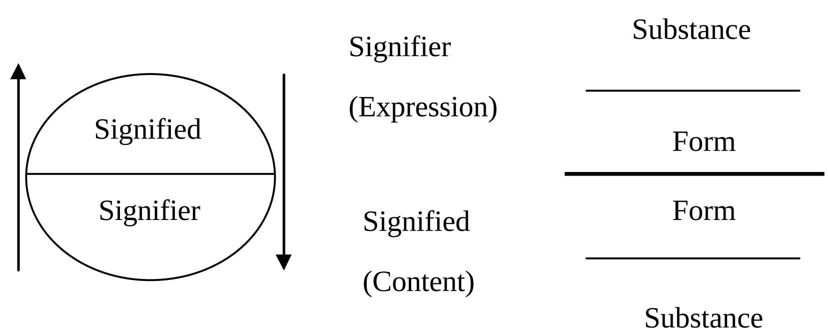
1. The 'signified' that is the part of the word that pertains to its meaning;
2. The 'signifier' which is the part of the word that is representative of that meaning.

The signified is considered by the concept that exists within the mind that we want to communicate and the signifier is representative of that concept, e.g., when seen together, the letters DOG signify the concept of dog in written English. Together, the signifier and the signified combine to become a sign. That is, a sign, according to Saussure, is what is experienced when someone comes into contact with a set of stimuli that can be equated to a mental concept.

Some years later, Hjelmslev (quoted by O'Neill, 2008) said that signifier is the physical phenomenal part of the sign and the signified is the meaning represented by that physical phenomena. Hjelmslev characterizes the substance of the signifier as the physical materials of the medium, e.g., sound, light, wood, or stone. This different can see below.

Figure 2.3

Comparison between Saussure's sign and Hjelmslev's sign



Source: Semiotic Theory (S.O'Neill, 2008)

Saussure (quoted by O'Neill, 2008) divide in two different dimensions of the relationships of understood in reference and overall system of signification.

1. **Syntagms:** Syntagms are combinations of signs that are put together in an organized way to produce some form of a meaningful whole. Sentences, for example, are syntagmatic, in that they are ordered combinations of signs written one after the other to produce a meaningful statement; e.g., 'bus stop' or 'the cat sat on the mat'. In this way, syntagms are often considered to be sequential in character, where meaning is derived temporally from 'chains' of signifiers, as in speech, music or dance. However, syntagms can be considered in terms of spatial relationships as well. Examples of 'spatial

syntagms' exist in much of the visual arts, e.g., painting, sculpture and even architecture.

2. **Paradigms:** Contrary to the common definition of a paradigm as an overarching theory or understanding of some particular subject (Kuhn 1962), a semiotic paradigm is a group of signifiers or signifieds (signs) that are in some way associated with one another or are members of the same overarching category, e.g., synonyms. In language, paradigms work as groups of words such as nouns or verbs that are used to substitute one another in the construction of sentences; e.g., in the sentence ' the cat sat on the mat ' ' cat ' is replaceable by ' dog ' or ' man ' and ' mat ' is replaceable by ' rug ' or even ' chair ' . The semiotic analysis of paradigms concentrates on aspects of substitution, particularly on the connotations that derive from the associated words that are alternatives to a chosen signifier. What is important to think about here, is how a syntagm or text would be altered if certain words were exchanged for others from similar or even different categories.

Furthermore, Saussure explains that sign and symbol, words and texts in any media, are all really about communication at some level.

Alternatively, Pierce (quoted by O'Neill, 2008) developed an altogether different conception of the sign. Pierce semiotic theory based on an essentially phenomenological approach to consciousness and gave three different kinds of phenomenological experience. The sign can, in principle, be anything – a gesture, a logo, an advertisement, a slogan, a product, a package, a narrative, a written text, a set of behaviours, or even an entire persuasive campaign.

Peirce’s concept of ‘Firstness’ is the primary and ideal experience of a phenomenon that is without reference to any other subject or object whatsoever. When we are experiencing something but are unable to describe it, or identify it or what has caused it, then we are in a state of firstness. Firstness then, is an undifferentiated qualitative experience that we cannot name or give voice to.

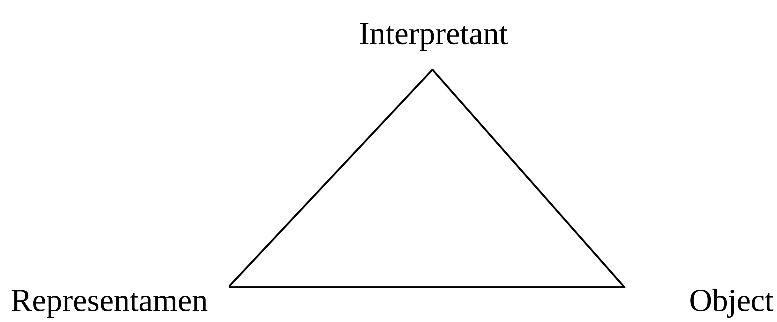
Secondness is where we begin to differentiate the ‘us’ from the ‘not us’ , ourselves from the world around us, sensations of pain from causes of pain and actions from reactions. Effectively this means that there is some kind of mapping between some sensation and its cause or something and something else without any meaning coming into play; e.g., in the way that smoke signifies fire. The effect (smoke) has a direct cause (fire), there is a physical link between the signifier and the signified and no interpretative bit is needed to explain what is going on.

This brings us to ‘Thirdness’ or full-blown semiosis, where we have a ‘representation’ rendered in some kind of medium, which, when we encounter it, we ‘interpret’ and mentally make a link to the ‘object’ to which the representation refers. Thirdness is the experience of representational objects standing in for experiences of real objects; i.e., thirdness is the domain of signification. The process of something ‘standing for some other thing’ , is managed by an interpretative mental process, including recall and recognition of those objects, and the meaning associated with them. The representational object does not need to have any direct reference to the object and can be a purely abstract symbol that is related by a set of functional rules.

Thus, Peirce's conception of a sign consists of three distinct parts: the 'object', the 'representamen' and the 'interpretant'. The object of a sign is the thing that is being represented, which is referred to, indirectly, by a representation of it, i.e., the 'representamen'. Peirce develops the concept of Semiosis further, by introducing the idea that an interpretant can in fact be a representamen in another representamen/object relationship, this other relationship also having its own interpretant. In other words, through some other previous semiotic experience, an interpretant can become a representamen in relation to an alternative interpretant, which in turn can become a representamen, and so on. This relationship definable as the diagram in the next page:

Figure 2.4

Pierce's triadic sign



Source: Semiotic Theory (S.O'Neill, 2008)

Unlike Saussure, Peirce was less concerned with language and much more concerned with categorizing the phenomenal qualities of different kinds of signs.

Building upon his notions of firstness, secondness and thirdness, Peirce developed the notions of icon, index and symbol as an initial sign type categorisation. These were expanded in great detail, but here we will concentrate only on the basics (O'Neill, 2008):

1. **Icons:** Peirce describes iconic signs, in relation to firstness, as signs that represent their objects via a direct likeness or similarity. Essentially, icons have features or qualities that resemble those of the objects they represent; e.g., all pictures, paintings and photographs are essentially iconic because they attempt to faithfully represent a recognisable image of their subject matter.
2. **Indices:** An index essentially 'indicates' something and is related to Peirce's concept of secondness. For example, the position of the shadow on a sundial indicates the time of day in relation to the position of the sun. A paw print made by a cat indicates the path that it has traveled. The symptoms of an illness are manifest indications of the infection causing them. There is a direct link between the object and the sign. Indices are signs or imprints often left in one physical entity, possibly a medium, by the passage of another physical entity that uses that medium. There is a clear connection here between the signifier and the signified, the form and the content.
3. **Symbols:** Symbolic signs are signs that refer to their objects by virtue of a law or set of socially derived rules that cause the symbol to be interpreted as referring to that object. Thus, similarly to Saussure, Peirce views symbolic

signs as conventional signs and wholly related to the notion of thirdness. Generally, symbolic signs have no relation to their object other than the accepted conventions agreed upon by a culture. They do not look like them nor have they any direct relation to them as indices do. Essentially, they are signs that have an arbitrary relationship to their objects. Words, books, and mathematical symbols are good examples of symbolic signs.

For this research context, semiotic use as an analysis tool to understand the narrative text in sustainability report. The meaning of every word and sentence would be analyzed in order to knowing the implicit purpose of those words or sentences by interpret it as a message which conveyed to stakeholder.

2.6 Legitimacy Theory

Many researchers offer a number definition of legitimacy. Suchman (1955) in Moir (2001) defined legitimacy as “a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions”. According to that definition, Deegan (2002) in Samkin and Schneifer (2010) explain that legitimacy theory is built on the premise that “organizations are not considered to have any right to resources, or in fact, to exist”.

Legitimacy theory is predicated on the notion of a hypothetical “social contract” between the reporting entity and the society in which it operates (Samkin and Schneifer, 2010). This social contract is used to “represent the multitude of expectations that the society has on how the organisation should continue its operations" (Guthrie *et al*., 2004). Changing societal values may cause society to become dissatisfied with the way in which the organisation is operating, resulting in it effectively revoking the organisation's social contract. This may occur through consumers reducing or eliminating demand for the organisation's products, eliminating factor supplies to the organisation such as the supply of labour or raw materials, or even lobbying the government for increased taxes or fines to be imposed upon the reporting entity (Samkin and Schneifer, 2010).

According to legitimacy theory, companies disclose social responsibility information in order to present a socially responsible image so that their behavior can be legitimized with their constituents (Farache and Perks, 2010). Consequently, legitimacy theory has been widely used to explain social and environmental disclosure by corporations focusing mainly on corporate social and environmental reports (Gray *et al*., 1995; Neu *et al*., 1998; Hooghiemstra, 2000; Branco and Rodrigues, 2006). Legitimation then is a process a reporting entity undertakes to gain, maintain or repair organizational legitimacy in the eyes of its stakeholders (Ashforth and Gibbs, 1990; Lindblom, 1994; Suchman, 1995; Brown and Deegan, 1998). A framework of strategies available to managers seeking to gain, maintain or repair organisational legitimacy has been developed by Suchman (1995). These are considered below.

1. Gaining legitimacy

When a reporting entity embarks on a new activity or introduces a new structure or process, it faces the task of having to gain legitimacy for that activity, structure or process, or for management's own validity as practitioners (Ashforth and Gibbs, 1990; Suchman, 1995; O'Donovan, 2002). Reporting entities invest significant time and effort and can act proactively and reactively when establishing legitimacy parameters. An entity is likely to act proactively when its activity, structure or process is disputed by stakeholders, or it lacks "the support of traditions and norms and so suffers the 'liability of newness'" (Ashforth and Gibbs, 1990).

2. Maintaining legitimacy

   As maintaining legitimacy is generally easier than gaining or repairing it, the samelevel of effort is not required (Ashforth and Gibbs, 1990; Suchman, 1995). Strategies for maintaining legitimacy include perceiving future changes and protecting past accomplishments. Perceiving future changes focuses on enhancing the organisation's "ability to recognise audience reactions and foresee emerging challenges" (Suchman, 1995). To protect past accomplishments, managers of reporting entities aim to "buttress the legitimacy they have already acquired" (Suchman, 1995).

3. Repairing legitimacy

   Repairing legitimacy requires substantial effort on the part of the reporting entity. Although legitimacy-repairing strategies are similar to those used to gain legitimacy, they represent a reactive response to an unforeseen crisis of meaning (emphasis in original) (Suchman, 1995). Two broad legitimacy-repairing strategies are identified in the literature: formulating a normalising account and strategic restructuring (Suchman, 1995; Linsley and Kaju¨ ter, 2008).

Nowadays, some researchers give their attention to relate legitimization strategies and impression management. Impression management enables reporting entities to manage their image (Samkin and Schneifer, 2010). Impression management has been described as conscious or unconscious attempts to control real or imagined images in social interactions (Dowling and Pfeffer, 1975; Preston *et al*., 1996; Neu *et al*., 1998; Stanton *et al*., 2004). Impression management then is organized communication, which is controlled and managed, influential and persuasive. As such, it could be usefully employed, by reporting entities, undertaking legitimating activities.

Legitimacy management relies on communication between the reporting entity and its stakeholders (Samkin and Schneifer, 2010). This communication can extend beyond traditional discourse to include a wide range of meaning-laden actions and non-verbal displays (Suchman, 1995). When undertaking the process of legitimization the strategic use of disclosure strategies shapes how stakeholders feel about the reporting entity (Dowling and Pfeffer, 1975; Ashforth and Gibbs, 1990; Lindblom, 1994; Suchman, 1995; Brown and Deegan, 1998; Ogden and Clarke, 2005). These are four strategies are available to reporting entities undertaking the process of legitimization according to (Lindblom, 1994) in (Samkin and Schneifer, 2010):

1. Convincing stakeholders through educating and informing of the appropriateness of the organisation's actions rather than changing its actions.
2. Using emotive symbols to manipulate stakeholder perceptions.
3. Changing external performance expectations.
4. Educating and informing stakeholders about organisational changes made in response to performance shortcomings.

2.7 Previous Research

A number of studies have been directed to discuss corporate social responsibilities reporting which sometimes labeled as sustainability reporting. Quite a few of them attribute corporate reporting with corporate motivation and the way how to disclose their corporate social responsibility. Some of researchers try to relate corporate and management motivation by adding management behavior, culture, leadership style and gender in their research about corporate reporting and performance.

Chatterjee and Hambrick (2006) try to explicate the relationship of narcissistic CEO and the effect on company strategy and performance. This research uses 110

CEO samples and found that CEO narcissism is positively associated with strategic dynamism and extreme performance.

Fitriany (2007) who research a few of loss Indonesian corporate annual report which use semiotic analysis found that management make a rhetoric story by providing argument and logic justification through narrative text.

Osma and Saorin (2009) studied Spanish Companies Annual Results' Press Releases (ARPRs). They use quantitative method and found that strong governance lowers the incidence of qualitative (or narrative) impression management, while the evidence regarding quantitative impression management is less conclusive and show that impression management is associated to current and future good news about the firm.

Hooghiemstra (2009) studied the letter written by CEOs in the U.S. and Japan which have different culture. This study used content analysis and took the samples from 50 American and 50 Japanese non-financial companies and found that U.S. CEOs particular emphasize good news and it's different with Japanese CEOs who generally strong in bad news.

Breton (2009) tries to explore the use of semiotics analysis on annual report. He found that the chairman's report is like a fairy tale like story telling.

Brennan, Saorin and Pierce (2009) studied UK Annual Results' Press Releases (ARPRs). They used both quantitative and qualitative data in corporate narrative disclosure and use content analysis and found that management use impression management to convey positive information while negative information is either ignored or is underplayed.

Barnard (2009) who tries to research the narcissism, over optimism, fear, anger and depression of American CEO's, found that there is some detailed evidence of these traits high visibility and may inflict on organization.

Nugroho (2009) who research PT Aneka Tambang Tbk which use semiotic analysis in its sustainability report found that management try to make positive image and legitimate stakeholder by rhetoric and persuasive story to explain the fact.

Samkin and Schneider (2010) studied the annual report of a public sector in New Zealand. They use case study to analyze the controversial annual report. They found that the annual report of a public benefit entity could play an important legitimizing role. Using legitimacy theory, it is argued that assertive and defensive impression management techniques were used to gain, maintain and repair its organizational legitimacy in the light of extensive negative media publicity.

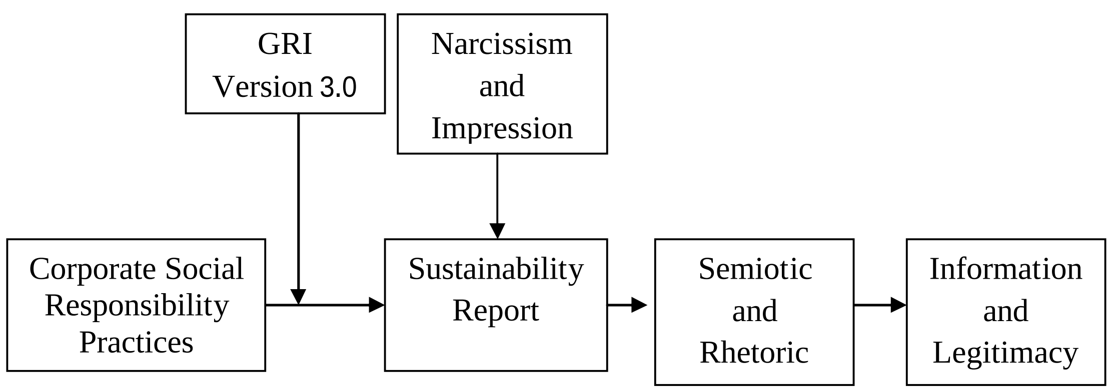
Aktas *et al,.* (2010) studied 1700 transcript of CEO speech over the period 2002 to 2006 from US merger and acquisitions database. The research found there is a positive relationship between the probability of deal completion and acquirer CEO narcissism.

2.8 Theoretical Framework

This research tries to understand how a business corporate discloses the corporate social responsibility information to get legitimacy. To simplify this research assumption, a theoretical framework is given which described by the diagram below:

Figure 2.5

Theoretical Framework



Note:

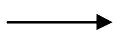
 This is a symbol which show the logic analytic of thinking to understand and interpretative this issue.

Figure 5.2 shows that PT Aneka Tambang Tbk report their corporate social responsibility practices in sustainability report and used GRI's application to disclose

the CSR practices. In this research, PT Aneka Tambang Tbk is used as research object because this company has practiced social responsibility for a long time.

Sustainability report is used to disclose the social practices of a company. In preparing sustainability report, managements have a power to design the content, item disclosed and way of disclosed. In the preparing stage, managements also have opportunity to enclose their self-interest in order to get adulation and applause. These traits are known as narcissism factor. Moreover, in order to manipulate the information (Yuthas et al., 2002; Courtis, 2004; Merkl-Davies 2007), management used impression management.

Rhetorical manipulation as a part of impression management (Thomas, 1997; Jameson, 2000) is found in various narrative text which used by management to conceal the information in sustainability report. Nazzarova (1996) argued that narrative texts are shaped by sign and in order to understand the structure of sign, semiotic analysis is the best choice because it's able to analyze every word and sentence.

Therefore, information which disclosed by management to stakeholders has important role to legitimate the existence of corporate. Farache and Perks (2010) argued that companies disclose social responsibility information in order to present a socially responsible image so that their behavior can be legitimized with their constituent. This statement proved the assumption that managements disclose social practices to legitimate the corporate existence.

CHAPTER III

RESEARCH METHOD

3.1 Research Design

In the context of research, there are three methods which usually used, namely quantitative, qualitative and combination of both methods. This research used qualitative method, interpretative approach and semiotic as an analysis tool to analyze PT Aneka Tambang sustainability reports.

Sustainability report reflected the CEO action, because as a director CEO have an ample opportunity to manage it. Dilthey (1977) notion that human discourse and action could not be analyzed with the methods of natural and physical science was the defining conceptual perspective. Human activity was seen as “text” – as a collection of symbols expressing layers of meaning. Therefore, this research uses words and sentences as research subject.

The qualitative research look to understanding a situation as it is constructed by participants and attempt to capture what people say and do, that is, the products of how people interpret the world (Maykut and Morehouse, 2005). Furthermore, words are the way that most people come to understand their situation and this research try to find pattern with those words and to present those pattern for others to inspect while at the same time staying as close to the construction of the world as the participant originally experienced it. This research also expected would help user to understand sustainability report.

This research used narrative semiotic to explain the sign in sustainability report which consist of words, graph and photograph. This approach is the most suitable in order to understand the meaning of information in sustainability report. This approach is also able to describe the layer of meaning of sentence in sustainability report.

3.2 Type and Source of Data

This research use secondary data namely sustainability report of PT Aneka Tambang Tbk. The material of data was obtained by downloading it from official company website. The data which observed and analyzed is sustainability report of PT Aneka Tambang Tbk in 2008 and 2009.

3.3 Data Collection Method

The secondary data was collected by documentary method. The information which relate to this research was obtained from previous research and internet browsing.

3.4 Research Object

The object of this research is PT Aneka Tambang Tbk sustainability report. This company had been won Indonesia Sustainability Reporting Awards (ISRA) 2008 as "The Best Sustainability Reporting 2007". In 2009 PT Aneka Tambang Tbk won "Best Sustainability Report in Group A" which consists of agriculture, mining, and chemistry industry sector. At the same time, PT Aneka Tambang Tbk also became the winner of "Best Sustainability Report on Website". This award was organized by National Center for Sustainability Reporting (NCSR) and *Ikatan Akuntan Manajemen Indonesia* (IAMI) to appreciate the companies that consider about corporate social responsibility toward sustainability development. Therefore, this researches use PT Aneka Tambang Tbk sustainability report as research object.

3.5 Data Analysis

The analysis tool of this research is semiotic. Semiotic analysis would analyze the narrative text which comprises of text, photo and graph as signs of PT Aneka Tambang Tbk sustainability report. This research tries to show the CEO's narcissism on PT Aneka Tambang Tbk by using a number of keyword which refers to CEO's overconfidence and narcissistic. The Emmons's (2007) narcissism approach is used in this research. Aktas *et al*., (2010) also used this approach to analyze CEO narcissism and level of acquiring.

This research also uses Chandler's approach that provides a stage by stage approach how signs are interpreted to produce meaning (Otubanjo and Melewar, 2007) which divided into five stages namely:

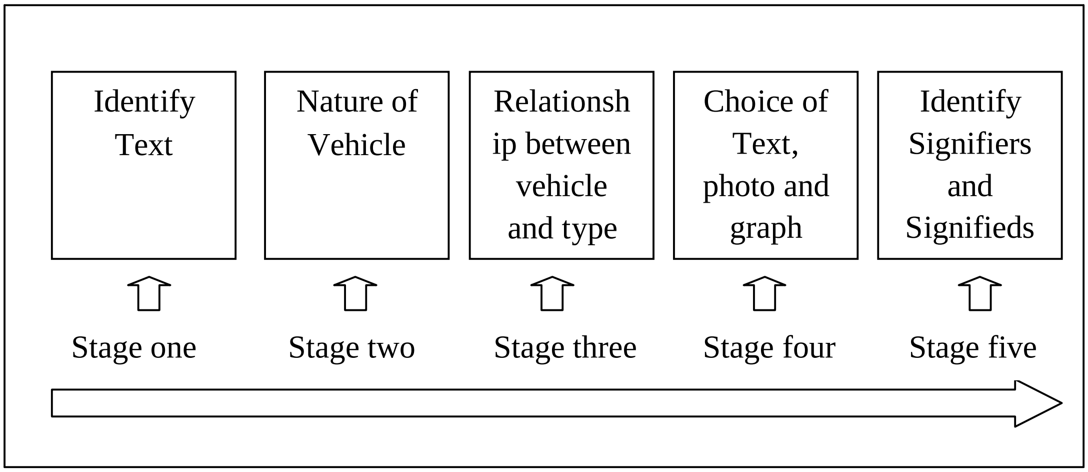
1. Stage 1: identify and describe the text, photo and graph. The first of this is to attach the copy of the text, photo and graph and identify its deficiencies. Give a clear description of those to enhance audience recognition. Describe briefly the medium of those, the genre it belongs and the genre in which it was found.
2. Stage 2: examine the nature of vehicle. This is discussed with reference to coverage, reach, target audience, circulation figure, frequency of publication, history, reputation and ownership of this vehicle.
3. Stage 3: discuss the relationship between sign vehicle[4] and type-token[5]. Identify how the sign vehicle being analyzed relates to the type-token distinction (i.e. whether) it is a text among many texts (i.e. a poster) or whether it is unique (e.g. actual painting). Additionally, it is useful to discuss how the text, photo and graph influence the interpretation (semantic).
4. Stage 4: discuss the reasons why the text, photo and graph were chosen. Determine the important signifiers in the text, photo and graph, what they signify and the system within which the sign makes sense.
5. Stage 5: identify the signifiers and the signified. The signifiers are material vehicle or the physical part of sign (i.e. corporate logo, body copy or written words, slogan and picture).

These stages describe in the diagram in the next page

[4] Vehicle is a tool or way which used to report. In this case, the vehicle is sustainability report.
[5] Type-token is the distinction whether text is like poster or painting.

Figure 3.1

The five stages semiotic process



Source: Understanding the meaning of corporate identity: a conceptual and semiological approach (Otubanjo and Melewar, 2007)