Integrated Reporting and Connectivity: Exploring connectiveness

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Abstract

Corporate communication has increasingly attracted researchers' interest, with an increase of research traditions and theories adopted. Among the different principles and theories through which integrated reporting (IR) can be explored, the present chapter focuses on the principle of connectivity. As a central principle that shapes IR, connectivity of information is reinterpreted in this chapter through a tripartite approach. Since our approach differs from the definition provided within the International Integrated Reporting Framework ("IIRC Framework"), in this chapter, connectivity is renamed as connectiveness. This chapter illustrates how organisations can strengthen their communication by putting into practice one of the six "IIRC Framework" guiding principles, connectivity of information, and by integrating their IR approach with other forms of stakeholders' interaction.

1. Introduction

In 2013, the International Integrated Reporting Council (IIRC) anticipated that the future of corporate reporting was about to move from different and disconnected forms of communication to an integrated form of disclosure, which is driven, among other principles, by connectivity of information. The concept of "connectivity of information is one of the six principles guiding the content and presentation of the integrated report" (World International Capital Initiative, 2013, p. 1). Within the integrated reporting (IR) context the concept of connectivity is defined as follows:

> An integrated report should show, as a comprehensive value creation story, the combination, inter- relatedness and dependencies between the components that are material to the organization's ability to create value over time (World International Capital Initiative, 2013, p. 1).

As explained in the International Integrated Reporting Framework ("IIRC Framework"), connectivity improves when an integrated report follows a logical structure, adopts an appropriate, clear communication and comprises of navigation tools enabling linked sections and cross-referencing (IIRC, 2013). Acknowledging that communication technology and digital transformation represent essential tools for improving connectivity, the IIRC illustrates the benefits of adopting digital reports "static papers and PDF documents" and describe how icons (placed on the report) can be adapted to accompany the reader through the website (World International Capital Initiative, 2013, p. 11).

Illustrating what constitutes an effective communication from a different angle, Brennan and Merkl-Davies (2018, p. 557) adopt a dialogic and interactive model of corporate communication, arguing that the overall communication process "can be improved by offering audiences the opportunity to provide feedback, to query information, and to arrive at a mutual understanding of an issue". Within this frame, Brennan and Merkl-Davies (2018) introduce the concept of connectivity as a key feature of communication effectiveness, but defines connectivity in a different way than the one provided within "the IIRC Framework". Taking the leads from the communication studies literature, Brennan and Merkl-Davies (2018, p. 553)

conceptualise connectivity through three elements: "the ability to connect different sections of a text (textual connectivity), to connect texts of different time periods or different genres (intertextual connectivity), and to connect firms with their audiences (relational connectivity)".

Recalling specifically the IR, Brennan, and Merkl-Davies (2018, p. 564) observe that the principle of connectivity of information provided by the IIRC is "used in a different but complementary manner to the concept of connectivity in communication" studies literature upon which their paper relies. Building on Brennan and Merkl-Davies (2018) work, Masiero et al., (forthcoming, p. 13) show that, given the increasingly relevant role played by the civil society in asking organisations to account for their actions and statements, organisations should increase their communication effectiveness by integrating "digital media with newspapers' public dialogue and with continuous, face-to-face dialogic interactions".

Taking these perspectives into account, the purpose of this chapter is to illustrate how organisations can strengthen their communication by integrating their IR approach with other forms of interaction with stakeholders. To illustrate how this integration can be enacted, this chapter presents the case study of Generali S.p.A. (hereafter Generali), a global insurance company based in Italy. By relying on and extending Brennan and Merkl-Davies' (2018) conceptualization of connectivity, this study illustrates how Generali enacted effective communication by integrating "the IIRC Framework's" connectivity of information with other forms of relational connectivity. The case study focuses on Generali because it has been among the Italian pioneers adopting "the IIRC Framework" and because it has recently been awarded the Business International Finance Awards 2018 in the category 'Financial Reporting, Integrated Reporting, Non-Financial Informational'. Therefore, Generali represents a 'best practice' example because their method of connecting information provides insights other firms can consider to improve stakeholder engagement. Given the large amount of information potentially available, in this chapter, the focus is placed on a specific topic exploring the environmental and climate-related information provided by Generali.

Acknowledging that in this chapter the concept of connectivity is conceptualized and explored in a different way than in "the IIRC Framework", the authors decided to adopt the word "connectiveness" instead of "connectivity" when presenting and discussing the findings. Our findings demonstrate that it is the interconnection among different communication channels that enables effective communication. Furthermore, this research highlights that despite supporting the adoption of digital channels and hyperlinks, to reach the wider society, "the IIRC Framework's" connectivity of information has to be intertwined with up to date communication with stakeholders that takes place through newspapers and face to face interaction. Thus, to effectively enhance stakeholder engagement, the key forms of connectivity of information provided by "the IIRC Framework" should be integrated with a broader spectrum of communication channels.

2. **Voluntary disclosure and effective communication**
Corporate communication has increasingly attracted researchers' interest, with an increase of research traditions and theories adopted (Merkl-Davies and Brennan, 2017). For instance, reviewing the accounting disclosure research field, Parker (2013, in Merkl-Davies and

Brennan, 2017, p. 434) recalls the following theoretical lenses: "agency theory, signalling theory, legitimacy theory, stakeholder theory, institutional theory, media richness theory, mass communication theory, visual culture, and critical theory". Similarly, when focusing on the rationale behind organisations' decision to voluntarily communicate with external stakeholders, most of the same theoretical frames apply. Common theories adopted by researchers include agency theory, signalling theory, capital need theory, legitimacy theory (Shehata, 2014, p. 18), stakeholder theory (Agudo-Valiente, Garcés-Ayerbe, & Salvador-Figueras, 2015) and theoretical concepts such as organisational façade and organized hypocrisy (Cho, Laine, Roberts, & Rodrigue, 2015). As Merkl-Davies and Brennan (2017, p. 437) observed, different theories should be simultaneously adopted to explain the rationale behind corporate communication.

Recognizing that "there is no single theory of communication, which encompasses all aspects of communication" but a dialogue among different theories, Merkl-Davies, and Brennan (2017, p. 437, 452) observe that "[a]ccounting communication is interactive", especially in "external communication via social media, which enables organizations to engage in a dialogue with their audiences". In this regard, changes related to technology and social media are driving companies toward communicating through different means than the traditional financial statement, thus increasing and fastening the information transmitted and changing the involvement of the audience (Hobson, Libby, & Tan, 2018). The relevance of an active dialogue is also underlined by Ferraro and Beunza (2018, p. 31), which developed a model evidencing how stakeholder engagement results from companies actively engaging in a dialogue to respond to "reputational threats", thus enabling mutual understanding with stakeholders. As Ferraro and Beunza (2018, p. 32) explained "dialogue is a communicative approach that involves deliberation aimed at achieving a common understanding of issues, and determining the best actions to address them."

2.1 Communication developments through digital technology

Recent studies have evidenced how digital media have changed the communication between organisations and their stakeholders. As Massaro et al. (2017) observed, digital communication presents a new touchstone for the whole literature on corporate disclosure, offering new research opportunities. For instance, Dumay and Guthrie (2017, p. 30) underlined that new digital communication technologies had not only enabled the production of more information, but it also facilitated their flows and sharing and allowed the dissemination of data not directly produced or controlled by organisations. Digital communication channels, such as Web 2.0 technologies, are changing the way people communicate and exchange information (Massaro et al., 2017; Zhang, 2016), reorganizing "the way in which organizations collected information", redefining "stakeholders' expectations" (Bellucci and Manetti, 2017, p. 874) and providing "new ways to audit, access, evaluate and trade on that information" (Dumay and Guthrie, 2017, p. 30). Thus, the firms-stakeholders connection is changed because of social media applications that allow stakeholders "to receive real-time feedback about organizational announcements and engage in conversations" (Chua et al., 2012; Manetti et al., 2016 in Bellucci and Manetti, 2017, p. 874).

As observed by Agudo-Valiente et al. (2015, p. 24) "[o]rganisations need to be aware of the importance of interacting and establishing channels of communication with different

stakeholders to identify both their demands and expectations, developing specific socially responsible strategies." Similarly, Brown (2009, p. 325) addresses the need for communication providers to adopt a transparent attitude to enable receivers to "challenge and reconstruct them." In line with Brennan and Merkl-Davies (2018, p. 554), these studies evidence that the advent of digital communication and social media implies for communicator providers acknowledging and adopting new communicative approaches, taking on account different communication channels to reach a "wider range of stakeholders" and to increase firm-stakeholders' dialogues.

2.2 Connectivity: a conceptual model of effective communication

Merkl-Davies and Brennan (2017, p. 433) distinguish between two broad research perspectives: functionalist-behavioral transmission and symbolic interpretive narrative. The latter, named the transactional model, focuses on interactive dialogical communication. In the transactional model, the "communication is viewed as a dynamic and interactive process by a reciprocally linked sender and receiver situated in a specific communicative context" (Merkl-Davies and Brennan, 2017, p. 439). Building on this previous work, and especially on the dialogic model of communication, Brennan and Merkl-Davies (2018, p. 557) "argue that corporate communication can be improved by offering audiences the opportunity to provide feedback, to query information, and to arrive at a mutual understanding of an issue." To define what constitutes communication effectiveness, Brennan and Merkl-Davies (2018) introduce the concept of connectivity. Different from the principle of connectivity of information developed within "the IIRC Framework", Brennan and Merkl-Davies' connectivity takes place within a two-way symmetrical communication process driven by a dialogue strategy and by a mutual understanding between firms and stakeholders. Acknowledging the different approach toward the concept of connectivity, Brennan and Merkl-Davies (2018, p. 564) observed that the principle of connectivity of information provided by the IIRC is "used in a different but complementary manner to the concept of connectivity in communication" studies literature upon which their paper relies.

Brennan and Merkl-Davies, (2018, p. 553) conceptualize connectivity through three elements: "the ability to connect different sections of a text (textual connectivity), to connect texts of different time periods or different genres (intertextual connectivity), and to connect firms with their audiences (relational connectivity)." Textual connectivity is enacted through two main features: "cohesion" and "coherence". The former concerns "the way surface features of the text (…) are linked to each other grammatically, to organize text, using signposts to hold together the writing, so it is easy to understand", whereas the latter is related to "the way concepts introduced in the text are linked to each other in meaningful ways, so readers can understand the way the ideas are organized" (Brennan and Merkl-Davies, 2018, p. 562). While cohesion and coherence are means of textual connectivity, intertextual connectivity is supported by digital communications platforms, such as hyperlinks on the web page and the social media, tags, and cross-referencing tools. Similarly, relying on digital media platforms and social media, relational connectivity is enacted through reports customization, webcasting and web conferences, online participation meetings, glossary and feedback loops (Brennan and Merkl-Davies, 2018, p. 567). Relational connectivity should enhance companies' ability "to respond to stakeholder needs, interests, or expectations" (Brennan & Merkl-Davies, 2018).

Building on Brennan and Merkl-Davies (2018), Masiero et al. (forthcoming) illustrate the benefits of integrating web platforms with other forms of communication. More specifically, Masiero et al. (forthcoming, p. 13) explain that "given the key role played by the civil society, to effectively communicate with a broad range of stakeholders, organizations should integrate digital media with newspapers' public dialogue and with continuous, face-to-face dialogic interactions". Drawing on Brennan and Merkl-Davies (2018), this chapter examines how connectivity is conceived by the IIRC and illustrates, through the case study of Generali, how effective communication is resulting from the interconnection among the different forms through which connectivity is enacted.

3. **Integrated Reporting**

3.1 IR: an inclusive response to a demand for clearer information

Voluntarily adopted, "the IIRC Framework" enables organisations to provide a concise and comprehensive communication of how they create value on the short, medium, and long term for themselves and for the societies where they operate (IIRC and IFAC, 2015, p. 2). The prime aim of an integrated report "is to explain to providers of financial capital how an organization creates value over time" (IIRC, 2013, p. 4), improving "the quality of information" and thus enabling "a more efficient and productive allocation of capital" (IIRC, 2013, p. 2; IIRC, 2017). The adoption of IR serves organisations to narrate their value creation to a much wider range of stakeholders "including employees, customers, suppliers, business partners, local communities, legislators, regulators and policy-makers" (IIRC, 2013, p. 4).

Among the academic studies, the one of Beck et al. (2017, p. 192) evidence that despite the "IIRC's narrow identification of target stakeholders," organisations' adoption of IR is aimed at responding to a broad stakeholders' group which exceed the provider of financial capital. Similarly, Barth et al. (2017, p. 46) underline that the "[c]ommunication with investors and stakeholders is fundamental to integrated reporting." In recent years, the shift towards IR emerges in response to stakeholders and society increasing demand for companies financial, governance, and sustainability information (Frias-Aceituno et al., 2014, p. 56). This need resulted, among other factors, from the changing business context subsequent the global financial crisis and from the rising of social and environmental issues (Hanks and Gardiner, 2012, p. 4, 5; Higgins et al., 2014, p. 1091, 1095 ;IIRC, 2015, p. 1). Yet, investors and other stakeholders' call for clearer corporate reporting and better information was already in place in the 1990s (IIRC, 2017, p. 8), with a growth of non-financial forms of disclosure and a search for increasing report comparability (Beck et al., 2017, p. 192; Adams, 2015, p. 24), integrating financial and non-financial information, and providing an all-inclusive and complete picture of businesses activities (Adams & Frost, 2008; Beck et al., 2017). Addressing the "missing linkages and lack of connectivity of previous reports" the IR enables organisations to integrate financial and non-financial information in one single document (Manes-Rossi et al., 2018, p. 2; Beck et al. 2017, p. 194). Besides, Mio et al., (2016, p. 216) highlight that the internal implementation of the IR can advance management control systems by increasing the "connection with strategy and organizational culture,," increasing the "usage of non-financial indicators" and enabling a "better understanding of cause-effect relationships." Another perspective emerges in Lai et al., (2018, p. 1381) illustrating how IR "preparers' narrative mode of cognition facilitates dialogue with integrated report users."

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3.2 IR: connectivity of information

"The IIRC Framework", which leads and support organisations' preparation of their integrated reports, provides companies with guiding principles and content elements through which shaping their communication content. Since its first development, the hopes on "the IIRC Framework" were high as derived from the following statement:

> It is anticipated that, over time, <IR> will become the corporate reporting norm. No longer will an organization produce numerous, disconnected, and static communications. This will be delivered by the process of integrated thinking, and the application of principles such as connectivity of information (IIRC, 2013, p. 2).

Interestingly, within "the IIRC Framework", the guiding principle of "connectivity of information" represents "[a] key feature of integrated reports that distinguishes integrated reporting from other reporting formats" (Barth et al., 2017, p. 45). Through this principle, "the IIRC Framework" supports organisations' connection of their "strategy, governance, performance and prospects" to communicate at best their "value creation story" (IIRC and IFAC, 2015, p. 2). The guiding principle "connectivity of information" states:

> An integrated report should show a holistic picture of the combination, interrelatedness and dependencies between the factors that affect the organization's ability to create value over time (IIRC, 2013, p. 5).

At the basis of "the IIRC Framework", IR leans on the concept of "integrated thinking", which entails discerning "what" and "how" connecting "strategy, governance, past performance and future prospects" (World International Capital Initiative, 2013, p. 1). An important feature of connectivity is the connection between qualitative and quantitative information. While numerical information "can lend a level of objectivity and reliability to the integrated report," its integration with narrative information enables the organisation to provide additional, important data for enhancing readers' understanding about the specifics of the context (World International Capital Initiative, 2013, p. 21). In addition to connecting financial with non-financial information, organisations' material matters, past achievements with the future expectations or opportunities, and the inclusion of the content elements, the concept of connectivity entails presenting a coherent value creation story about the organisation "in a concise, coherent and logical manner" (World International Capital Initiative, 2013, p. 19). Thus, connectivity serves for "establishing the big picture, connecting time horizons and developing a consistent message". As World International Capital Initiative (2013, p. 1) explains:

> Connectivity is enhanced when the integrated report features a logical structure, linked sections, cross-referencing and navigation devices such as icons, colour coding or other tools.

The World International Capital Initiative (2013, p. 1) highlights the relevant role played by information technology (IT) that, through digital reporting platforms, web-based applications, customized information provision, and technology-based feedback loops, is improving organisations' connectivity with stakeholders. In fact, through these means, IT enables organisations to better respond to stakeholders needs and interests. In this regard, it should be noticed that "Stakeholder Responsiveness" is another IR' principle. Hence, connectivity is also enhanced by the organisation ability to use IT and especially web-based applications and social

media for the provision of timing, accessible, reliable and useful information enabling stakeholders to provide effective feedbacks (World International Capital Initiative, 2013, p. 11).

4. **Methodology**

This study presents the case of Generali, a multinational insurance company based in Italy. This study adopts Brennan and Merkl-Davies' (2018) conceptualization of connectivity, exploring, disentangling and illustrating Generali's communication through the three forms of textual connectivity, intertextual connectivity and relational connectivity. Given that the connectivity lens used to explore corporate communication differs from the one informing the preparation of the integrated report, the term connectivity will be hereafter substituted with connectiveness.

Generali represents an interesting research context for exploring how connectiveness is operationalized due to their active involvement in developing "the IIRC Framework". First, between 2012 and 2014 this insurance company participated in the IIRC Pilot Programme, helping to test and develop "the IIRC Framework" and to launch the <IR> Insurance Network[i]. Second, in 2018, Generali was awarded the Business International Finance Awards 2018 in the category 'Financial Reporting, IR, Non-Financial Informational'[ii]. Third, in 2018 Generali was included within the international stock exchange index for Corporate Social Responsibility: Dow Jones World Sustainability Index [iii]. Fourth, Generali considers dialogue with the stakeholders as a relevant activity as specifically reported on Generali's website[iv]. In this regard, in 2015, Generali launched a program for obtaining external feedbacks about the materiality analyses conducted the year before[v]. Accordingly, in 2016, Generali participated in the "Italian National Dialogue on Sustainable Development" aimed at preparing a paper about activities against climate change.

The data collected for this study comprises different documents (website pages, video, reports, brochure) and the social media (LinkedIn, Twitter, and YouTube) available through Generali's website. Concerning Generali's website, the section "Our responsibility" provides, through different links, the reports archive, explanations about how Generali's reporting evolved over the years, how Generali is reporting nowadays and information about the stakeholders to whom the organisation is communicating. In the same section also lists the stakeholders to whom Generali aims to dialogue. These are employees, clients, agents and distributors, contractual partners, the financial community, the community in general. While Generali's reports are accessible through different links, at the section "Media[vi]" are presented the different means of communication and the social media used by Generali.

Given a large amount of information potentially available, the focus is placed on a specific topic exploring the environmental and climate-related information provided by Generali. This choice enables comparing and integrating the data emerging from this exploration with the findings of Masiero et al. (forthcoming).

Given Brennan and Merkl-Davies' (2018) conceptualization of connectivity, in this chapter, the data analysis consisted of different phases. To explore textual connectiveness, we assessed the structure of the "Annual Integrated Report 2017", focusing our attention on how the information was disclosed, and searching for the textual features described by the World International Capital Initiative (2013) and by Brennan and Merkl-Davies (2018). Different actions were developed to explore intertextual connectiveness. First, a webpage analyzer[vii] was adopted and used to explore the structure of the website section "Our Responsibility"[viii] where the reports are provided. Secondly, we explored all the connections selecting a page randomly in the "Annual Integrated Report 2017," about the environmental and climate-related information. In doing so, we started from the hyperlink placed on page 23 of "Annual Integrated Report 2017." Third, we developed a qualitative content analysis (Kohlbacher, 2006), considering the single sentences as the unit of analysis. Every single sentence was manually searched in other documents, starting from the sentences available on page 23 of the "Annual Integrated Report 2017." Initially, we explored those documents, that, starting from the "Annual Integrated Report 2017", were connected through hyperlinks (on the texts of the webpages) until the second level of connection. Later, we considered those documents emerged by browsing through the website. Finally, to explore relational connectiveness, we explored the social media available through the website, taking into consideration the availability of feedback loops on the webpages. The finding section illustrates the different forms of connectiveness, providing explicative examples.

5. **Findings**

This section presents the main findings derived from our analysis distinguishing between textual, intertextual, and relational connectiveness.

5.1 Textual connectiveness

Pages 4 and 5 of the "Annual Integrated Report 2017" (hereafter "AIR 2017") provide the overview of Generali's reports and explanations about how this document is structured. Pages 80-81 explain how the non-financial information is disclosed, how readers can spot non-financial topics using infographic images posted at the margin of texts and provides the Glossary (pages 98-103). The Glossary is present also on other website pages[ix]. With respect to the "AIR 2017", after the Index, which introduces the content, in each page the information is presented through short texts that are clearly distinguished one from the other for the colours allocated to titles, subtitles, sentences and to the background of each sections; for the presence of bullet points and interspaces and finally for the typing style. Additional, integrative information is provided through notes reported at the margin of the pages. A case in point is the explanation of the concept "Core&More" provided on page 4 of the "AIR 2017".
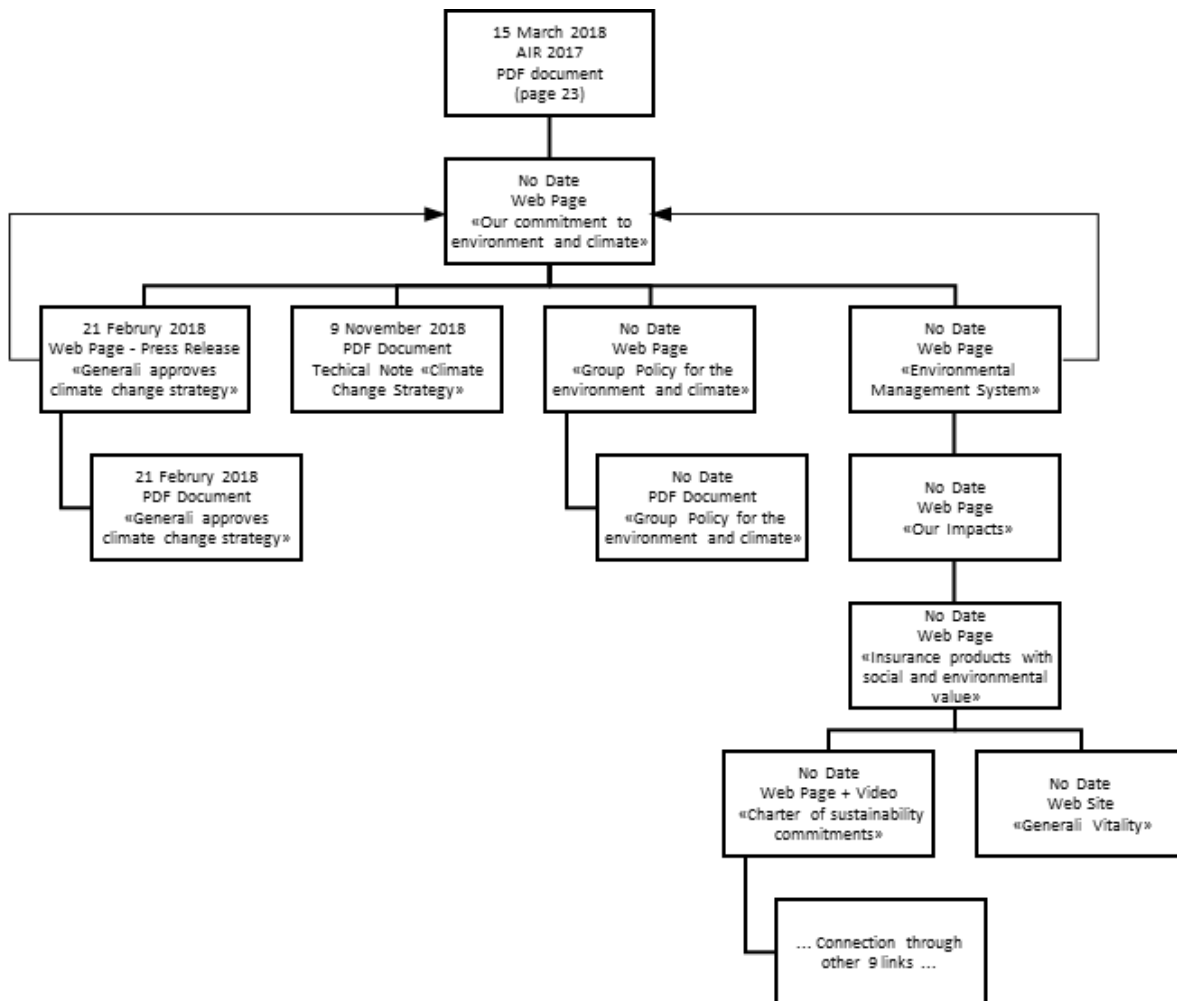
The use of pictures enriches narrative and numerical texts integrating information about results, facts, people, places, and relevant historical and current events. Pictures portray documents (e.g., the overview of Generali's reports provided at pages 4-5), locations (e.g., pages 12-13) and people (e.g., pages 36-37). Concerning the cross-references and the navigation devices, the "AIR 2017", presents icons (corroborated with brief explanations or pages numbers) hyperlinks and infographics that are placed at the margin of texts. For instance, the icon of an open book followed by a page number and by the infographic "NFS" serves to inform the reader that at a certain page is provided further explanations about how non-financial information is disclosed.

5.2 Intertextual connectiveness

Infographic and hyperlinks allow, not only to connect different sections of the texts within the same report but also to redirect the readers toward external documents or online sections providing further related information. For example, on page 3 of the "AIR 2017," the image of a laptop followed by a brief description redirects the reader to Generali's website where the on-line report is made available. A further example is the laptop icon placed at the top of page 27 which, followed by a brief text redirects the reader's attention to the "Annual Integrated Report and Consolidated Financial Statement 2017" for integrative information. Analyzing Generali's webpage "Our Responsibilities"[x] emerges that this website section is connected through 482 internal links, 9 external links and has a Link Juice[xi] of 98.2%. In this regard, each Generali's web page provides, on the left side, the connection to all the other web pages available under that section. Also, webpages' texts can contain specific hyperlinks leading the readers to other documents.

To provide a broader illustration of how intertextual connectiveness takes place on Generali website is explored the environmental and climate-related information, progressively moving from the "AIR 2017" toward other media. Figure 1 illustrates how through the hyperlinks placed on the webpages (excluded the connections provided on the left side of the page), the reader can have access to other documents. For instance, on page 22 and 23, the "AIR 2017" and "Annual Integrated Report and Consolidated Financial Statements 2017" both discuss the group policy on the Environment and Climate-related topics. Through the hyperlink placed at the bottom-left of page 23 of each reporting, the reader has access to a webpage providing partially the same information plus additional, related material. In turn, excluding the connections provided on the left side of the page, this page gives access to a series of other documents such as a press release document, a PDF technical note and to other related contents. Each of these supplementary material recalls or enlarges previous information provided through the "AIR 2017" and adds additional data by exploring other specific themes. Starting from the "AIR 2017" and exploring the content of each document until the second level of connection (see. Figure I) emerges that specific environmental and climate-related information is retraceable through other documents and was updated over time before and after the publication of "AIR 2017". Also, navigating through Generali's website emerges that part of the "AIR 2017" environmental and climate-related information is also recalled on videos and interviews. For instance, the same information provided within the "AIR 2017" is available on a video uploaded on the multimedia gallery, and accessible through the section "Media"[xii] .

Figure 1: Connecting Texts form different corporate documents

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                    ┌─────────────────────┐
                    │   15 March 2018     │
                    │     AIR 2017        │
                    │    PDF document     │
                    │     (page 23)       │
                    └─────────────────────┘
                               │
                    ┌─────────────────────┐
                    │      No Date        │
                    │     Web Page        │
                    │ «Our commitment to  │
                    │ environment and climate» │
                    └─────────────────────┘
```

(flowchart boxes)

- 15 March 2018 / AIR 2017 / PDF document (page 23)
- No Date / Web Page / «Our commitment to environment and climate»
- 21 Februry 2018 / Web Page - Press Release / «Generali approves climate change strategy»
- 9 November 2018 / PDF Document / Techical Note «Climate Change Strategy»
- No Date / Web Page / «Group Policy for the environment and climate»
- No Date / Web Page / «Environmental Management System»
- 21 Februry 2018 / PDF Document / «Generali approves climate change strategy»
- No Date / PDF Document / «Group Policy for the environment and climate»
- No Date / Web Page / «Our Impacts»
- No Date / Web Page / «Insurance products with social and environmental value»
- No Date / Web Page + Video / «Charter of sustainability commitments»
- No Date / Web Site / «Generali Vitality»
- … Connection through other 9 links …

## 5.3 Relational connectiveness

Simultaneously to Generali's full-year results release the group has been active also on social networks, uploading posts on Twitter and LinkedIn and receiving respectively feedback from stakeholders on these channels. Concerning the differences between Twitter and LinkedIn, the former reports a post from Ansa English News and a CNBCJ interview to the Group CEO. The latter provides a link to YouTube, making available different interviews. In this regard, browsing on YouTube, information about the full year 2017 results and the climate change policy is retraceable again at (https://www.youtube.com/user/GruppoGenerali?reload=9 - accessed 09/07/2019) in a video which obtained 1,418 views.

Concerning feedbacks loops, Generali enacts different strategies. For instance, to collect feedbacks about 2018 report, Generali invites readers to submit their comments to integratedreporting@generali.com[xiii] . Furthermore, at the bottom of each page of Generali[xiv]'s website page is placed an icon proposing a two minutes survey to the readers. Clicking on the virtual red button, the reader has access to a window explaining and providing an anonymous survey structured in three parts. The former part asks the reader to identify himself among a range of stakeholders (client, job seeker, employee, analyst, investor, shareholder, media - journalist, blogger, media rep, CSR – SR professional, NGO representative, suppliers). The second part asks the reader to evaluate, in a range from 1 to 5, seven topics related to the

website. These are Usability, Graphics, Contents, Technical Performance, Mobile Optimization, Interactive Tools, Accessibility. Finally, there is the opportunity for the reader to add a comment of 500 words.

Integrating these findings with the results of Masiero et al. (forthcoming), this chapter illustrates how Generali integrates the information through different means. Specifically, Masiero et al., (forthcoming, p. 7) explained how Generali's communication with stakeholders (occurred during entire 2018) consisted in a continuous dialogue that, going beyond the information provided within the "AIR 2017", was aimed at responding to the stakeholders needs and expectations by continuously considering stakeholders feedbacks and by answering with additional information and explanations "through different means (public and private meetings, interviews, round table, formal documents)" tailored to the different stakeholders. Through the longitudinal analysis Masiero, et al., (forthcoming) showed how dialoguing with stakeholders for a common understanding and approach about critical topics, also led the more sceptical stakeholders to progressively changing their opinion, from a negative to a positive one, toward Generali's approach on critical matters. Based on Masiero, et al., (fore coming, p. 7) findings and specifically on Table III, Figure 2 in this chapter illustrates how the dialogue led to a common understanding between the organisation and its stakeholders.

Figure 2 – Dialoguing with Stakeholders – data extracted from Masiero, et al., (fore coming, p. 7)
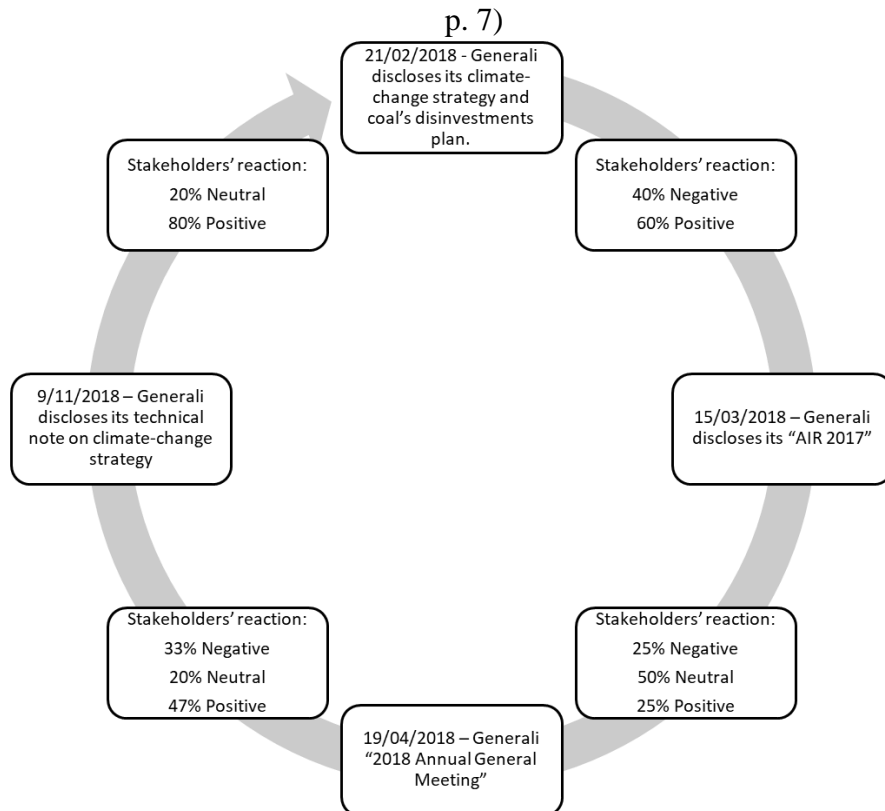
6. Discussion and conclusion

Among the different approaches and theories through which external communication can be explored, the present chapter selected the one of connectivity as conceptualized by Brennan

and Merkl-Davies (2018) and renamed it as connectiveness to distinguish it from the definition of connectivity of information shaping the integrated report. Brennan and Merkl-Davies (2018) conceive connectiveness as connecting "different sections of a text (textual connectiveness)", "texts of different periods or different genres (intertextual connectiveness)" and, finally, by connecting "firms and their audiences (relational connectiveness)" (Brennan and Merkl-Davies, 2018, pp. 553-554). Adopting this tripartite approach, the present chapter illustrates how organisations can strengthen their communication by putting in practice one of the six IIRC's guiding principles, connectivity of information, and by integrating their IR approach with other forms of interaction with stakeholders.

In this regard, acknowledging that communication technology and digital transformation represent essential tools for improving connectiveness, the IR guidelines illustrate the benefits of adopting digital reports and describes how icons placed on the report, can be adopted to accompany the reader through the website (World International Capital Initiative, 2013, p. 1). Despite not entering in the specifics of IR structure, Brennan and Merkl-Davies (2018, p. 564) underlined that the concept of connectivity of information conceptualized by IIRC is "used in a different but complementary manner to the concept of connectivity in communication" developed within their paper. Moreover, the recent paper of Masiero, et al., (fore coming, p. 13) adds to Brennan and Merkl-Davies (2018) seminal research by showing how "to effectively communicate with a broad range of stakeholders, organisations should integrate digital media with newspapers' public dialogue and with continuous, face-to-face dialogic interactions". To illustrate how this integration is enacted, this chapter presents the case study of Generali, a global insurance company based in Italy. Generali is selected because it was among the Italian pioneers adopting the IR, and because it has recently been awarded the "Business International Finance Awards 2018 in the category Financial Reporting, Integrated Reporting, NonFinancial Informational".

Starting by revising how textual connectiveness is enacted within Generali's integrated report, findings show that Generali's "AIR 2017" facilitates readers' connection of relevant concepts in two ways. By one side Generali's "AIR 2017" dedicates some pages, at the beginning and the end of the report, for the explanation of how and where information is reported and clarifies the meaning of the infographic adopted; by the other, it differentiates and highlights texts and headings. In this regard, in each single page text comprehension and content connection are facilitated not only by the use of icons and infographics, but also through the adoption of different colours for the background and for the writings, changing the size of the texts, adding notes at the margin of the pages, communicating through short paragraphs and adding colourful images.

The communication technique adopted by Generali within its "AIR 2017" is in line with the principle of connectivity provided by the World International Capital Initiative (2013, p. 19) thus avoiding repetitions and enhancing transparency. Generali's communication is aligned also to Brennan and Merkl-Davies' (2018, p. 562) description of textual connectiveness where the "cohesion" of the writing and the "coherence" of the concepts' presentation represent the two key aspects for enabling textual connectiveness. In this regard, Generali's approach toward increasing stakeholders understanding and engagement, while reducing the RI complexity

emerged in the recent paper of Lai et al., (2018) illustrating how to dialogue with stakeholders is enhanced through IR' narratives.

Exploring how intertextual connectiveness is enacted, emerges how Generali supports its readers by providing different cross-reference tools and navigation devices. Infographics and the hyperlinks reported at the margins of the texts serve not only for connecting different sections of the report but also to redirect the readers toward different external documents deepening the focus on specific themes or updating, over time, the information provided within the report. The application of these communication techniques is in line with the World International Capital Initiative (2013, p. 19) document about applying the principle of connectivity of information and it is also aligned to the definition and the implementation of intertextual connectiveness as presented by Brennan and Merkl-Davies' (2018, p. 566).

Additionally, Generali adoption and connection of different digital communication channels, demonstrates, by one side, how the Group's commitment toward interacting with different stakeholders is put in practice, by the other it provides a further example of how digital technologies support communication provision and customization (Agudo-Valiente et al. 2015; Massaro et al., 2017; World International Capital Initiative, 2013; Zhang, 2016). In this regard, findings illustrate that in addition to interconnecting different corporate media, Generali corroborates its external communication with videos and interviews available on the website multimedia gallery.

Generali's implementation of relational connectiveness emerges from different angles. Following Brennan and Merkl-Davies's (2018, p. 566-567) description of relational connectiveness, Generali emerges as proactive in organizing, presenting and enhancing the understanding of the information provided toward a broad spectrum of stakeholders, thus fostering "accessibility" (Brennan and Merkl-Davies, 2018, p. 566). For instance, the glossaries in the "AIR 2017" and the website enables the non-expert readers to understand the meaning of specific or technical information. Another important feature of relational connectiveness enacted by Generali is the way through which Generali enables "stakeholders responsiveness" (World International Capital Initiative, 2013). In fact, in addition to connecting different media (Table 1), Generali enriches the communication by providing videos and interviews, making them available on the website and social media. Similarly, Generali incentivizes stakeholders' feedbacks through different means.

More importantly, Generali updates the information provided over time and makes it accessible through different means, enhancing "informativity" (Brennan and Merkl-Davies, 2018, p. 566). As for the findings of Masiero, et al., (fore coming) shows, Generali commitment toward achieving an effective dialogue with the broader spectrum of stakeholders, leads the organization toward overcoming the adoption of digital media, integrating digital media and newspapers' public dialogue with a direct face-to-face continuous dialogue. Figure 2 in the finding section shows how dialogue incentives common understanding. At this point, however, the connectiveness provided through the IR becomes the starting point of integrated multimedia comminution which expands its view toward a real-time, fruitful dialogue.

Considering Bellucci and Manetti, (2017) and Chua et al. (2012) observation that social media have changed firms-stakeholders connection by facilitating the diffusion of updated information and supporting stakeholders' ability to provide feedback, this chapter provides an example of how organizations aware of the relevance of adopting a broad connectiveness approach effectively enable them to enhance a fruitful, continuous dialogue. This chapter adds to previous studies that selected Generali and explored integrated report related matters evidencing how the internal implementation of the IR can advance Management Control Systems (Mio et al., 2016) and illustrating how to dialogue with stakeholders is enhanced through IR' narratives (Lai et al., 2018). Furthermore, this chapter integrates Masiero, et al. (forthcoming) paper by focusing more on how Generali, by its part, intertwined the three forms of connectiveness conceptualized by Brennan and Merkl-Davies (2018) to enable a constant dialogue with stakeholders through different means.

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[v] See: https://www.generali.com/our-responsibilities/responsible-business/Materiality-Matrix

[vi] See: https://www.generali.com/media

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[ix] See: https://www.generali.com/info/glossary, and https://www.generali.com/media/press-releases/all/2018/Financial-Information-at-30-September-2018-Press-Release

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[xi] See: https://www.searchmetrics.com/glossary/link-juice/

[xii] See: https://www.generali.com/media/multimedia-gallery/video/interviews

[xiii] See: http://integratedreporting.org/profile/generali-group/

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