The Issue of Gender Inequalities in the Non-financial Statements. An Empirical Analysis

Antonietta Cosentino and Marco Venuti

Abstract Scholars and practitioners have extensively argued the issue of gender inequalities and the contribution of women in companies. Contrariwise, there are few contributions on the topic of how relevant is the information on gender issues, particularly regarding women's perspectives. This research is grounded on the theoretical framework of the legitimacy theory to analyse the extent of the information disclosed by Italian public companies about women and gender issues before and after European Directive 2014/95 is transposed into the national legislation. Notably, we aim to verify if the companies adopted a substantive or a symbolic approach in disclosing the information connected with gender issues.

A qualitative research methodology based on multiple case studies was used to comply with the paper's aim. The authors conducted a content analysis on the non-financial statement—or similar documents—produced by Italian non-financial companies listed on the FTSE-MIB before and after the first application in Italy of the national legislation implementing the European Directive. The 20 industrial listed companies form the sample and a scoring model based on key disclosure parameters is used in the research.

The findings detect that there is a growing interest in the topic. Thus, the directive impact on the quality and quantity of information businesses produce is mainly positive. However, Italian listed companies have adopted a symbolic approach to gender disclosure at first. Later, they seem to have developed a more substantial approach. Nevertheless, no empirical evidence was found regarding specific information on the effect that COVID-19 has had on female work in the undertakings.

This study fills a gap in the existing literature and can impact the behaviour followed by companies. The significance of the results is proved because even today, the disclosure of gender issues is considered of primary importance since only a relatively small number of companies are required to analyse gender issues and give

A. Cosentino (✉) · M. Venuti
Department of Law and Economics of Productive Activities, Sapienza University of Rome, Rome, Italy
e-mail: antonietta.cosentino@uniroma1.it; marco.venuti@uniroma1.it

P. Paoloni, R. Lombardi (eds.), *When the Crisis Becomes an Opportunity*, SIDREA Series in Accounting and Business Administration,
https://doi.org/10.1007/978-3-031-21932-0_13

relevance to the topic. The study's conclusions propose insights to policymakers to measure the effectiveness of the rules on non-financial disclosure and can contribute to the current consideration about updating the mentioned directive by the EU and European and international accounting bodies.

Keywords Gender issue · Non-financial disclosure · Public company · Accountability

1 Introduction

Over the last decade, there has been a growing interest by international organizations, national authorities, businesses and practitioners in non-financial information reports. Moreover, there has been a shift from voluntary to mandatory disclosure in several circumstances. For instance, this obligation was introduced by the European Directive 2014/95, which yields that from 2017, for large undertakings belonging to the Member States, which are public-interest entities exceeding on their balance sheet dates the average number of 500 employees during the financial year. Those undertaking shall include in the management report a non-financial statement containing information relating to, at least, environmental, social and employee matters, respect for human rights, anti-corruption and bribery matters (Directive 2014/95/EU). Italy has implemented the provisions of the EU Directive with Legislative Decree 254/2016.

Interest in this issue is also growing in terms of regulation. Just recently, in Italy the Presidency of the Council of Ministers, Equal Opportunities Department, issued the Decree of 29 April 2022, which indicated, among other things, the KPIs referred to in the Reference Practice UNI/PdR 125: 2022 as parameters for achieving the Certification of gender equality for companies.

The new provisions have led to an acceleration in the scientific production of studies and research relating to examining the general and specific issues of non-financial information reports (Gulenko 2018; Helfaya et al. 2019; Khlif and Achek 2017; Leopizzi et al. 2020; Liao et al. 2015; Mazzotta et al. 2020; Michelon et al. 2015; Paoloni et al. 2016).

The EU Directive gave member states broad freedom in the choice of standards to refer to and how non-financial information is represented. This freedom has generated increasing attention on the part of accounting scholars about the impact that the legislation was developing on the behaviour and choices of companies (La Torre et al. 2018; Lombardi et al. 2021).

However, little interest seems to have covered the topic of the qualitative and quantitative information businesses provide in the context of non-financial disclosure. This gap in the literature allows us to address the issue by focusing on the profiles strictly related to gender issues in the context of non-financial reporting.

The issue of gender inequalities and the contribution of women in companies is extensively debated in the literature. Instead, there are few contributions to the information's relevance to gender issues, particularly women's issues. The gender concerns have been examined by the literature with regards to the correlation between the presence of women, especially on boards, and companies' performance, but not on the quality and quantity of information, provided by companies regarding the subject of gender (Cucari et al. 2018; Furlotti et al. 2019; Harjoto et al. 2015; Setó-Pamies 2015; Purwa et al. 2020). The present investigation is situated in the conceptual framework of the legitimacy theory to verify the extent of the information provided by large companies about women working in these before and after the national legislation application on non-financial disclosure. More precisely, this is a study that fills a gap in the existing literature and can impact not only the behaviour followed by companies but also by European and international policymakers.

This paper aims to analyse the changes that the entry into force of the European Directive 2014/95 produced on the disclosure of large Italian publicly listed companies concerning the gender inequality issue and the contribution of female presence in businesses. Notably, this study examines the quality, the quantity and the modalities of information presentation related to women. We aim to verify to what extent the issue linked to the condition of women is considered relevant by companies in the context of information relating to personnel and what impact the Directive's transposition in adopted standards has produced on the disclosure.

In addition, this research strives to verify whether the COVID-19 information reporting focused on the effects that COVID-19 could have on women working in companies and, therefore, whether there was a specific report about the impact that COVID-19 had on gender inequalities.

In this vein, we can formulate our research questions:

RQ1: Has the introduction of the non-financial information produced an improvement in the gender quality information of the Italian listed companies in the mid-term as a result of the entry in force of the non-financial information? Has it been continuing producing effect in the short time?

RQ2: Grounded on the findings of RQ1, have the Italian listed companies adopted a substantive or symbolic approach?

RQ3: Was there a specific disclosure on the possible impact of the COVID-19 on gender inequalities?

A qualitative research methodology based on multiple case studies was used to comply with the paper's aim. The authors conducted a content analysis on the non-financial statement—or similar documents—produced by Italian non-financial companies listed on the FTSE-MIB before and after the first application in Italy of the national legislation implementing the European Directive. The 20 industrial listed companies form the sample. Our analysis was also developed over two different time intervals: (1) the medium term, by observing the changes that occurred in gender disclosure in the years 2016 and 2019; (2) the short term, by analysing the same topic in the non-financial declarations of the years 2019 and 2020.

Notably, the NFSs are examined to observe the changes in the information reporting on gender over time (e.g., gender inequalities, the contribution of the female presence in companies, etc.). A scoring model based on key disclosure parameters is used in the research.

The findings detect that there is a growing interest in the topic. Thus, the directive impact on the quality and quantity of information businesses produce is mainly positive.

More specifically, companies have adopted a symbolic approach to gender disclosure at first, after the entry into force of the EU Directive, favouring narrative information and providing many descriptions and few data. Later, they seem to have developed a more substantial approach. We found a modest improvement in the quality and quantity of information provided, and the companies provided more data and compared the trend on various topics related to the gender issue.

Nevertheless, no empirical evidence was found regarding specific information on the effect that COVID-19 has had on female work in the undertakings.

This study fills a gap in the existing literature and can impact not only the behaviour followed by companies but also by European and international policymakers. Even today, it is impossible to assert that the disclosure of gender issues is considered of primary importance since only a relatively small number of companies are required to analyse gender issues and give relevance to the topic. The study's conclusions propose insights to policymakers to measure the effectiveness of the rules on non-financial disclosure, given the absence of a precise framework that requires companies to adopt uniform and universally accepted accounting standards or principles. This paper can also contribute to the current consideration about updating the mentioned directive by the EU and European and international accounting bodies.

The paper is structured as follows. In the following Sect. 2, the theoretical background is set out. Next, the research design is shown in Sect. 3. Section 4 presents findings and discussion, distinguishing the gender disclosure evolution in the mid and short-term. Conclusion, value and implications for future research are exposed in Sect. 5.

2 Theoretical Background

According to accounting researchers, disclosure helps to handle some of the problems of organizational legitimacy (Neu et al. 1998), because the reporting of environmental and social information permits to maintain and improve good relationships with the social context to which companies relate.

Legitimacy is defined by Suchman (1995) as "*a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within the same socially constructed system of norms, values, beliefs and definitions*" (page 574).

Legitimacy theory is based on the idea that there is an implicit social contract with the society in which the companies operate.

Legitimacy is considered as, on the one hand, a precondition for the ongoing flow of resources and a steady support of stakeholders (Deephouse et al. 2017; Pfeffer and

Salancik 1978) and, on the other hand, a critical resource for corporate survival and growth (Zimmerman and Zeitz 2002).

In other words, the corporates' survival and success depend on their ability to meet society's expectations and thus stakeholders' expectations by implementing adequate structures and processes that permit to fulfil this implicit contract (Cho et al. 2015).

If a legitimacy gap arises or is detected, a company will adopt legitimating strategies, included corporate disclosure strategies, so that its actions are viewed as right and proper in the social context (Deegan et al. 2002; Fernando and Lawrence 2014; Tyler 2006).

Corporate disclosure is to be considered a legitimating strategy because it is useful to increase the stakeholders' knowledge about corporate activities and results achieved making more effective the actions taken (Cormier and Gordon 2001). The disclosure, included the non-financial information, is an instrument for communicating company's performances to stakeholders and also a tool for legitimization towards them (Safari and Areeb 2020)

Companies may adopt different strategies to influence the perceived legitimacy by their stakeholders (that is, inter alia, shareholders, creditors, customers, suppliers, workers, NPOs and authorities).

From this point of view, the literature distinguishes between symbolic and substantive approaches (Pfeffer and Salancik 2003; Palazzo and Scherer 2006).

The substantive approach is an attempt to obtain legitimacy by an effective commitment to change aligning corporate's strategies and policies to social norms. Stakeholders are interested in knowing whether the changes in corporate strategies are also changed in actions (Hopwood 2009). A substantive approach applied to non-financial information implies that the company publishes reports capable of improving the quality of the information provided with regard to the conduct held and the actions undertaken.

The symbolic approach is only an attempt to positively influence stakeholders' perceptions of the company, engaging in apparent initiatives that lead the stakeholders to believe that the company is committed to meet the societal requirements (Ashforth and Gibbs 1990) and, thus, to build a new, more legitimate positive image reducing the number of questions asked and maintaining a level of secrecy in its real actions (Hopwood 2009). Non-financial information becomes a means of communication that is exploited as an opportunity to hide organization's activities, obscuring negative performances (Cho et al. 2015) and create a corporate image detached from reality (Boiral 2013).

Even though, legitimacy theory has been widely employed by the non-financial literature (Mazzotta et al. 2020; Owen 2008; Parker 2005; Velte and Stawinoga 2017), few studies applied it with regards to the disclosure provided by companies on the issue of gender inequalities consequently to the scarce information available in the companies' annual reports (Adams et al. 1995; Adams and Harte 1998; Benschop and Meihuizen 2002). In the past the non-financial information was not compulsory in large part of the world and also in European Union (EU).

In the case of the EU, this situation changed as a result of the adoption of the European directive 2014/95 on non-financial information: there was a shift from an optional to a mandatory disclosure nature.

According to some studies, this changing produced a positive impact on the quality and quantity of non-financial information provided by the companies.

Leopizzi et al. (2020) state that this legislation has brought an improvement with a positive increase in the level of non-financial information reporting in all sectors and for all types of risks whilst Venturelli et al. (2017) find that an information gap remains, although the implementation of the directive should help to reduce it the subsequent years. Examining the Italian case, these studies obtained results in line with that part of the literature that recognises the role of regulation in improving the quality of disclosure of non-financial information (Beets and Souther 1999; Deegan 2007). The potential contribution of the EU directive to non-financial disclosure appears thus positive.

However, not all researchers are consistent with this standpoint.

Some empirical research show that regulation is not always associated with improvement in the quality of non-financial information (Lock and Seele 2016). Brown (2009) underlines that the quantitative increase in the disclosure would not be accompanied by a similar qualitative increase since the adoption of a standardized framework would penalize the use of company and sector-specific indicators and information, or at least the only regulation is not be sufficient to ensure a better level of information (Costa and Agostini 2016; Luque-Vilchez and Larrinaga 2016).

Another study, focused on the Chinese and South African contexts, achieved controversial results (Ioannou and Serafeim 2014)

Based on the theory of legitimacy, this paper is focused on the differences that the entry into force of the European Directive 2014/95, transposed in Italy by Legislative Decree 254/2016, has produced on the Italian companies listed on FTSE-MIB40 over the time with the aim to verify whether:

– There has been an effective engagement that has led to a better quantitative and qualitative disclosure on the gender issue (substantial approach), or
– There has been only an attempt to create a positive image with the goal to lead the most relevant stakeholders to believe that the company is committed to meet the societal requirements (symbolic approach).

In this prospective, the analysis of the non-financial information trend on gender disclosure in the recent years (2019/2020) provides additional elements useful to consider the kind of approach really adopted on this topic by the Italian listed companies.

3 Research Design

We used a qualitative research methodology based on multiple case studies (Yin 2014).

Table 1 Research sample

Industrial Italian companies listed on FTSE MIB	
Atlantia	Leonardo
Buzzi Unicem	Moncler
Campari	Prysmian
Cnh Industrial	Recordati
Enel	Saipem
Eni	Snam
Exor	Stmicroelectronics
Ferrari	Tenaris
Fiat Chrysler Automobiles/Stellantis	Terna - Rete Elettrica Nazionale
Italgas	Tim Italia

Source: Authors' elaboration

In particular, we carried out a qualitative content analysis (Duriau et al. 2007; Mayring 2015) on the data extracted from the non-financial statements (NFSs)—or on similar documents—published by Italian non-financial companies listed on the FTSE-MIB.

The FTSE-MIB index represents the most important Italian stock index, including the 40 companies with the greatest capitalization on the Italian capital market. We selected only the non-financial companies, not also the financial companies, for homogeneity reasons considered the difference of business and regulation. Financial companies are subject to additional non-financial requirements by sectorial supervisory bodies.

In answering to the first two research questions, we selected the non-financial companies that were listed in the years examined and published non-financial information in those years.

More precisely, we analysed gender information published by the companies present in that index in all of the following years:

– On 31/12/2016
– On 31/12/2019
– On 31/12/2020

We selected the year 2016 because it was the year before the first application in Italy of the national regulation implementing the European directive and the years 2019 and 2020 because they were the last 2 years on which the NFSs of these companies are available, at the time of the research took place. Indeed, the data extraction took place in January 2022.

The comparison between the year 2016 and the years 2019 and 2020, with a special focus on 2019, permits to analyse the changes relevance of the gender information provided by the companies as a result of the specific regulation. This also permits to exam the trend of the gender disclosure in the mid-term.

The comparison between the years 2019 and 2020 permits to analyse the trend of the gender disclosure in the short term and thus verify if the regulation introduced has been continuing producing effect in the recent years.

Table 2 Selected information

Variable detected	Code number	Variable description	Theoretical background
Reference to the topic	V1	Number of times certain specific terms occur (women, gender, gender equality, inequality, diversity, equal opportunities, discrimination)	***Symbolic approach*** (Hopwood 2009; Ashforth and Gibbs 1990)
Compliance with the GRI standards	V2	Comprehensiveness of the information on gender produced with respect to what is specifically required by the GRI	
Qualitative Gender Disclosure	V3	Information type: qualitative/narrative	***Substantive approach*** (Hopwood 2009; Ashforth and Gibbs 1990)
Quantitative Gender Disclosure	V4	Information type: quantitative/table form	
Trend	V5	Presence of comparative data that allow obtaining indications on the trend of the information provided	

Source: Authors' elaboration

In Table 1, we reported the sample selected, on the basis of the criteria mentioned above.

All companies observed adopted the GRI standards in each year analysed. Thus, they produced homogenous non-financial information making possible a comparison among them.

Moving from this evidence, we built a scoring model focused on selected aspects of meaning related to our research questions (Schreier 2012).

The selected variables used to assign the score are showed in the Table 2.

Regarding the first variable reported, focused on the number of times certain specific terms occur, we chose the words to search by referring to the description contained in the gender indicators of the GRI. In this case, the content analysis applied is a meaning-oriented type (Smith and Taffler 2000; Helfaya and Whittington 2019). It was not only based on the mere calculation of words selected, but it also focused on the reading of the related sentences nature and the appropriateness respect to the analysed theme.

The researchers selected five variables that capture the quality and quantity of the gender disclosure produce by the companies.

Quantitative nature variables are based above all on the volume of the disclosure. A company may increase the volume of the information provided replicating boilerplate information, in a way that offers little to enhance stakeholders' knowledge about the gender issues. Such disclosures may serve to protect the organization from external pressure (Hopwood 2009; Michelon et al. 2015) instead to provide, directly or indirectly, useful information to the stakeholders.

These practices are symbolic, rather than substantive.

Table 3 Research scoring scheme

Parameters	Score	
V1	$x \geq 80$	$= 1$
	$x < 80$	$= 0$
V2	Yes	$= 1$
	No	$= 0$
V3	$x \geq 8$	$= 1$
	$x < 8$	$= 0$
V4	$x \geq 6$	$= 1$
	$x < 6$	$= 0$
V5	$x \geq 5$	$= 1$
	$x < 5$	$= 0$
Maximum total score		*5*

Source: Authors' elaboration

Variables 1 and 2 provide a quantitative nature information. Thus, we consider them as indicators of the use of a symbolic approach. The rationale of this choice is that both may be used to improve the company's image rather than the inform the stakeholders on the results the effective company's commitment.

If the use of oriented words or narrative information give to the companies an opportunity to camouflage corporate activities, obfuscate negative performances (Cho et al. 2015) and to construct corporate images detached from reality (Boiral 2013), the same result it is difficult to achieve with the use of tables, numbers and ratios. They provide a concrete information of the corporate performances and give to the stakeholders the opportunity to use them for comparison over the time and among the companies, as well as for further elaborations and analysis.

Variables 3, 4 and 5 provide qualitative nature information, so we chose to use them as an expression of a substantive approach.

We analysed in detail every variable. For each variable, the value range ranked from 0 to 1.

The value is 0 when the parameter is below a value representing an average level of compliance with GRI's requests or the number of times that terms referring to gender are reported. The value is 1 when this threshold value is exceeded. The threshold value is equal to the average value of the degree of compliance, obtained taking into consideration the results achieved in 2016, that is before the entry in force of the non-financial directive. For example, if the GRI provides that 12 key performance indicators (KPIs) on gender are provided and of these, on average, in 2006 the companies provided 4, the companies that provided at least 4 of these indicators scored 1, the other 0.

At the end, a company can have a minimum score of 0 and a maximum score of 5.

Table 3 summarises the variables investigated and the score assigned them.

To reduce the discretionary margin and thus to ensure the reliability of the score, the two Authors underwent a short training period to share the keywords and decision rules. The researchers were also exposed to several examples of the various types of risk information.

Table 4 Remarkable improvement of qualitative gender information

Variable code	Additional score		Theoretical background
V1	– Increase in quality information $\geq$ 50%	Yes	Symbolic approach
	– Worsening or increase in quality information $<$ 50%	No	
V2	– Increase in quality information $\geq$ 50%	Yes	
	– Worsening or increase in quality information $<$ 50%	No	
V3	– Increase in quality information $\geq$ 50%	Yes	Substantive approach
	– Worsening or increase in quality information $<$ 50%	No	
V4	– Increase in quality information $\geq$ 50%	Yes	
	– Worsening or increase in quality information $<$ 50%	No	
V5	– Increase in quality information $\geq$ 50%	Yes	
	– Worsening or increase in quality information $<$ 50%	No	

Source: Authors' elaboration

After this step, the understanding and skill of the Authors were tested using the inter-rater or inter-observer method (Linsley and Shrives 2006), where each coder is involved in analysing the same set of material. In this case, 3 DFNs were analysed separately. The results of content analysis carried out by the researchers were then correlated to determine the extent of the agreement. The result showed that there were no significant diversities among the scores obtained. The positive result of this procedure confirms the consistency of the method applied (Leopizzi et al. 2020; Michelon et al. 2015).

With the aim at answering to the RQ3, we also carried out a content analysis.

The same sample analysed for answering to RQ1 and RQ2 was used.

The DFNs and the consolidated financial statements of the companies were examined to verify whether these documents included information on any eventual impact deriving from the COVID-19 crisis, regarding the gender issues within the company.

A complete reading of the documents was carried out to verify the existence of any reference.

In this case, the conducted analysis was objective and was independent of any discretionary assessment regarding the nature or relevance of the impact reported

For this study, we built a scoring model based on the key disclosure parameters reported in Table 4.

A score of 1 was assigned if the gender disclosure had substantially improved following the mandatory divulgence, that is if the observed variables increased by at least 50%. If, on the contrary, the improvement did not occur or there was an improvement in the observed variable of less than 50%, we assigned a score equal to zero.

We analysed the non-financial statements (NFSs) and the consolidated financial statements related to the years 2019 and 2020 since those documents normally provide disclosure on the COVID-19 pandemic impact.

4 Findings and Discussion

4.1 The Evolution of the Gender Disclosure in Mid-Term

Figure 1 provide an overview of the scoring obtained for each company analysed in the entire period of observation (years 2016, 2019 and 2020).

Regarding these evidences, it is to be observed that:

- Eight companies obtained the minimum score (zero) in 2016 equivalent to the 40% of the total
- Three companies obtained the minimum score (zero) in 2019 equivalent to the 15% of the total
- Two companies obtained the minimum score (zero) in 2020 equivalent to the 10% of the total
- One company obtained the minimum score (zero) in each year equivalent to the 5% of the total

In our analysis, we assume that when the value of the score is zero, there is a lack of information since the disclosure provided is lower to the average gender disclosure provided by the Italian-listed companies before the entry in force of the non-financial information regulation. In other words, it provides evidence that the

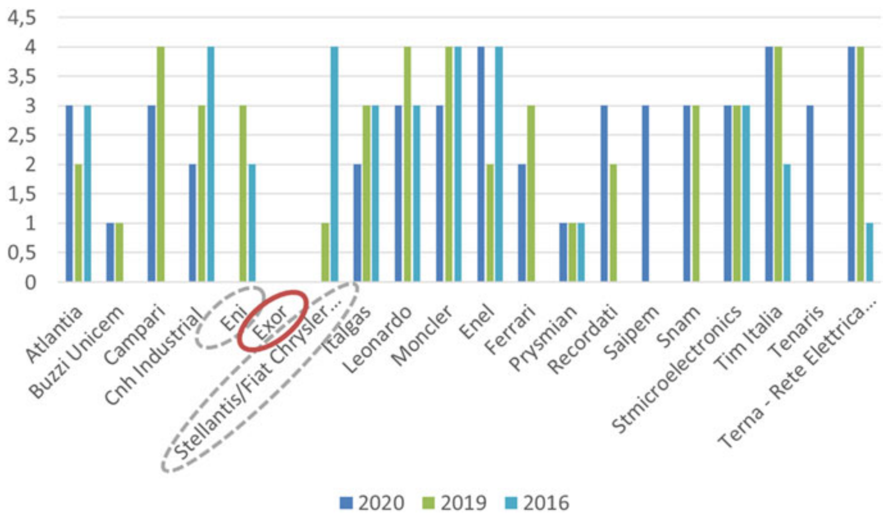

Fig. 1 Results comparison. Source: Authors' elaboration

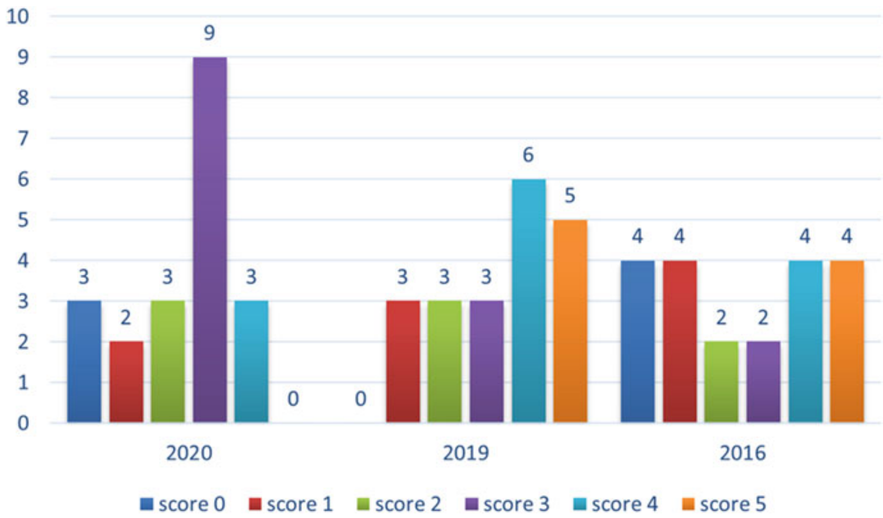

Fig. 2 Companies' score distribution. Source: Authors' elaboration

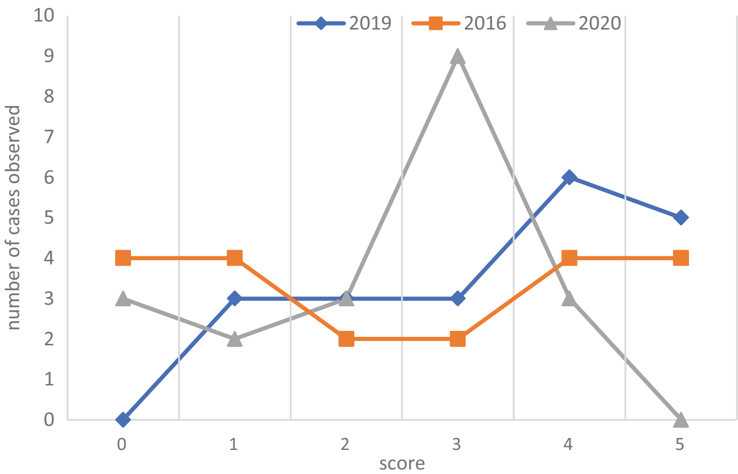

Fig. 3 Companies' score trend. Source: Authors' elaboration

company underperformed in producing that disclosure in comparison to the other listed companies using as a benchmark a period in which the non-financial information was not compulsory and there was assent to the current strong public attention on ESG topics (Moratis and Brandt 2017).

We note that the results show that there is a meaningful reduction of the cases in which the gender disclosure is equal to 0. However, there are still companies lacking sufficient information in 2019 and 2020, even though the time spent form the introduction of the law requirements.

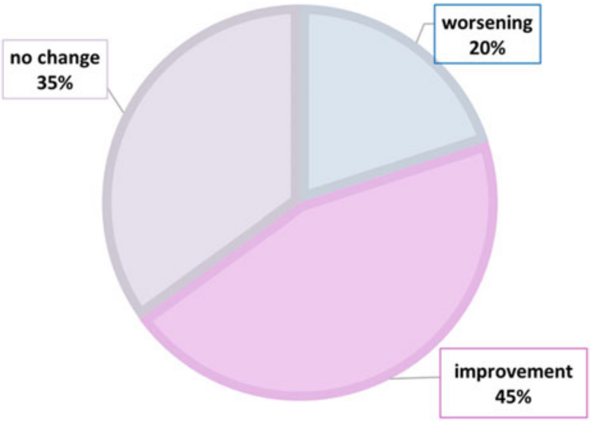

Fig. 4 The changes in parameters (comparison between years 2016 and 2019). Source: Authors' elaboration

Figure 2 highlights the companies' score distribution in the different years so that to provide a brief representation of the changes occurred in the mid-term whilst Fig. 3 summaries the results of the changes in the company's scores between years 2016, 2019 and 2020

About these data, it is to be observed that:

– No company obtained the maximum score in one of the years observed.
– There is not an increase in the number of the companies that achieved a top scorer, meant as value amounting to 4, comparing the results obtained previously and subsequently the introduction of the non-financial information directive.

In particular, the findings show that:

– The companies that obtained a top score gathered (4) in 2016 were 4.
– The companies that obtained a maximum score measured (4) in 2019 were 5.
– The companies that obtained a top score detected (4) in 2020 were 3.

These results show the substantially absent impact of the new regulation on the best practices, as shown in Fig. 3.

Focusing on the mid-term (2016–2019), we detected that the introduction of the non-financial directive resulted in an improvement on gender disclosure for 45% of the companies in the analysed sample. This result reveals an overall relevant impact of the regulation in the mid-term, even if not on best practices. However, the introduction of the directive did not produce any effect on gender disclosure for 35% of the sampled, while for 20% of them a worsening was observed, as showed in Fig. 4.

Summing the evidences provided by Figs. 2, 3 and 4, it is reasonable to state that the improvement on disclosure concerns the companies that produced a low or medium level of gender information, not the companies that already had a good sensitivity on the topic.

Table 5 shows the variation in the average score by the comparison of the years 2016 and 2019. It also indicates the number of companies with a high score, meant as

Table 5 Comparison of the results over the years

Results	2016	2019	Variation detected
Average score	1.7	2.35	+38.23%
Number of companies with a score ≥ 2.5	8 (40%)	11 (55%)	+37.50%

Source: Authors' elaboration

a score equal to or greater than 2.5 (that is, equal to or more than the half of the maximum score).

The results detect that in the 2 years of reference reveals, there is a significant improvement in corporate disclosure on the gender issues. The improvement regards both the overall average score (+38.23%) and the number of companies that obtain a high score (+37.50%). These data confirm the overall relevant impact of the regulation in the mid-term.

The first three figures and Table 5 provide evidence that the introduction of the non-financial directive had a significant impact on the gender disclosure communicate with a relevant improvement of that. The new regulation associate to the connected stakeholders' expectation has prompted the Italian-listed companies to improve their disclosure. This change is in line with the legitimacy theory because an increase of disclosure on a specific topic permit not only to be compliant with law requirement but also helps maintain good relationships with relevant publics.

In a context of a regulation, companies provide disclosure because they must and the State plays a role in supporting the ideology for legitimizing the gender issue requirements, in the light of legitimacy theory (Archel et al. 2009). In accordance with this approach, the Directive represents a policy action to provide material legitimacy to companies' non-financial information. Material legitimacy is a "*form of legitimacy that enables organizations to blend what is important to the organization (strategic legitimacy) with the primary concerns of its major stakeholders (institutional legitimacy)*" (Dumay et al. 2015). From this prospective, the formal application of the rules is consistent with a symbolic practise whilst an effective application of the law requirements is consistent with a substantial practise.

If the actions undertaken by the companies are consistent with the legitimization theory framework, these results do not provide clear evidences about the kind of approach followed.

The fact that no company obtained the maximum score and the absence of a relevant increase in the number of the companies achieved a top score is just a clue of a possible symbolic practise.

To this purpose, we conducted a specific analysis on the single parameters. By this analysis, we highlight the degree of completeness of the information provided and the changes occurred in the specific quantitative and qualitative nature indicators. We focus this research on the years 2016 and 2019.

While Fig. 5 summarises the variation in the score of each parameter used comparing the years 2016 and 2019, Table 6 highlights the average scores for each indicator in the 2 years examined and their percentage variation. The description of the variables was in Table 3 above reported.

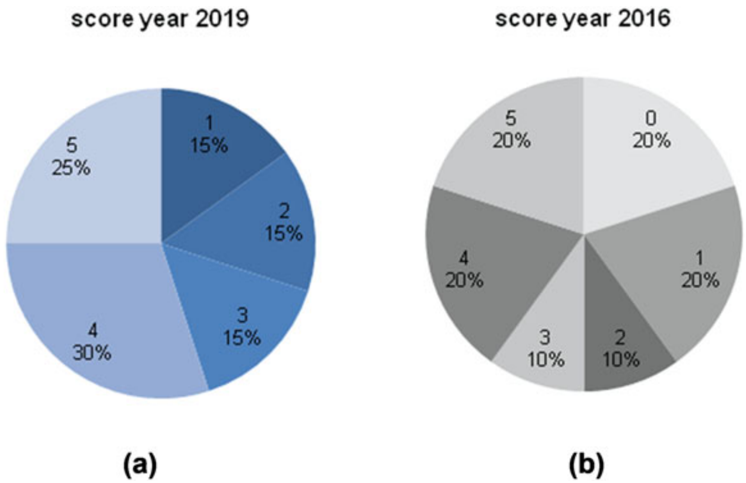

Fig. 5 Changes in the score of each variable in the mid-term. (**a**) Score year 2019, (**b**) score year 2016. Source: Authors' elaboration

Table 6 Comparison of specific indicators

Average score 2016	Average score 2019	Variation % 2016–19
V1—relevance of the topic (max 1)		
0.35	0.60	+71.43%
V2—information methods: qualitative/narrative (max 1)		
0.35	0.60	+71.43%
V3—information methods: quantitative/tables (max 1)		
0.59	0.60	+2.00%
Variable 4—comparison with previous year (max 1)		
0.59	0.55	–7.27%
V5—completeness with respect to the GRI (max 1)		
0.59	0.60	+2.00%

Source: Authors' elaboration

The additional analysis carried out on the gender topic provides useful information to understand the evolution of the single variables over the time. This information is particularly relevant since each variable represents an indicator of the change of the qualitative and quantitative nature information.

It is to be observed that the table provides evidence that the first and second variables have a meaningful increase whilst the remaining variables have an uneven trend, without relevant positive or negative changes.

This analysis reveals a different trend between the qualitative nature variables and the quantitative nature variables. As a matter of fact, we observed:

– The qualitative nature variables (variables 1 and 2) increased significantly.
– The quantitative nature variables (variables 3, 4 and 5) did not have a relevant and uniform changes.

Taken into consideration that

– The qualitative nature variables represent indicators of a symbolic approach.
– The quantitative nature variables represent indicators of a substantial approach.

The results achieved suggest that the Italian listed companies have mainly adopted a symbolic approach.

This evidence is consistent with the fact previously reported that no company obtained the maximum score and no relevant increase in the top score companies is detected.

4.2 The Evolution of the Gender Disclosure in Short-Term

Focusing on comparing the changes in the company's scores between years 2019 and 2020, we detected that in 35% of the cases observed, there was no improvement in gender information, while in 45% of the companies, there was even a worsening. An improvement occurred in only 25% of the cases observed (Fig. 6).

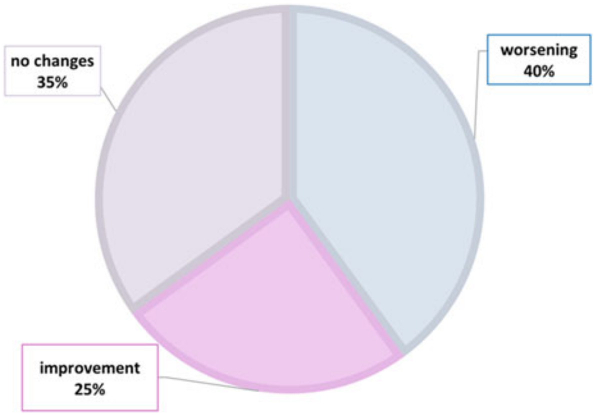

Fig. 6 The changes in parameters (comparison between years 2019 and 2020). Source: Authors' elaboration

Table 7 Comparison of the results over the years

Results	2019	2020	Variation detected
Average score	2.35	2.35	0%
Number of companies with a score ≥ 2.5	11 (55%)	12 (60%)	+0.83%

Source: Authors' elaboration

Table 8 Comparison of specific indicators

Average score 2019	Average score 2020	Variation % 2019–2020
Variable 1—relevance of the topic (max 1)		
0.60	0.65	+8.33%
Variable 2—information methods: qualitative/narrative (max 1)		
0.60	0.20	–200%
Variable 3—information methods: quantitative/tables (max 1)		
0.60	0.70	+16.67%
Variable 4—comparison with previous year (max 1)		
0.55	0.70	+27.27%
Variable 5—completeness with respect to the GRI (max 1)		
0.60	0.75	+25%

Source: Authors' elaboration

Table 7 shows the variation in the average score by the comparison of the years 2019 and 2020. It also indicates the number of companies with a high score, meant as a score equal to or greater than 2.5.

The analysis carried out show an increase in the number of companies with a high score (+0.83%) balanced by a worsening in the overall score achieved by a relevant number of companies, so that the overall average companies score is the same in the 2 years examined. In sum, although the introduction of new regulation produced a relevant impact on the disclosure provided by the companies, the situation is different in the recent years. The data provide evidence of a stable situation without relevant positive or negative changes in the companies scores.

Table 8 summaries the average scores for each indicator in the 2 years examined and their percentage.

Differently from the results obtained analysing the mid-term impact of the introduction of the directive, the table shows a different trend of the variable scores in 2019 and 2020. In particular:

– Variable1 increases slightly
– Variable 2 decreases remarkably
– Variables 3, 4 and 5 increase in a range between about +17% and +27%

The weight of the variables that contribute to maintain constant the companies score of the companies in the 2 years changes. The quantitative nature variables (variables 3, 4 and 5) assume more importance than the qualitative nature variables (variables 1 and 2). The meaning may be that the companies are moving from a symbolic approach towards a substantial approach.

A possible explanation of that result is the rising importance that the non-financial information is assuming for the community (CDP et al. 2021), associate with the particular attention to the topic by the European Institution. Recently, EU took many initiatives on the sustainability issue, especially in 2019 and 2020. In this context, the EU made a commitment to review the Non-Financial Reporting Directive in 2019

(EC 2019) issuing a proposal for a new directive on sustainability disclosures in the first part of the year 2021 (EC 2021).

The validity of this supposition ought to be confirmed analysing at least the documents related to the year subsequent, i.e. the 2021.

4.3 The Impact of the COVID-19 on the Gender Issue

Table 9 presents the results of the content analysis about the effect of the recent pandemic on the gender disclosure.

From the examination of the published documents (financial and non-financial documents), the analysis reveals that no specific attention was paid by the non-financial companies listed on the FTSE-MIB40 to the impact of COVID-19 on the gender issue. The results are 0 in each year examined.

5 Conclusion

Although the issue of gender inequality is extensively treated in the literature, only few contributions deal with the topic of the disclosure on the gender issue provided by the companies. The papers that faced this topic are mainly focused on specific aspects of the gender issue considered the scarcity of the information available at the time in which they were published (Adams et al. 1995; Adams and Harte 1998; Benschop and Meihuizen 2002).

This research investigates the gender information produced in the new public documents addressed to the non-financial information and thus also to the gender issues.

This study explores the content of the disclosure provided using the conceptual framework of the legitimacy theory (Suchman 1995; Tyler 2006; Chen and Roberts 2010) to verify the extent of the information provided by large companies on gender issue before and after the application of the national regulation on non-financial information (Guthrie and Parker 2012; Gray et al. 1995).

This paper has analyzed the changes that the entry into force of Directive 2014/95/EU, transposed in Italy by Legislative Decree 254/2016, has produced on the disclosure of large Italian listed companies, with regard to the issue of gender

Table 9 Impact of the COVID-19 on the gender issue

Results	2019	2020	In percentage
Information on the impact produced: qualitative/narrative	0	0	–
Information on the impact produced: quantitative/table form	0	0	–

Source: Authors' elaboration

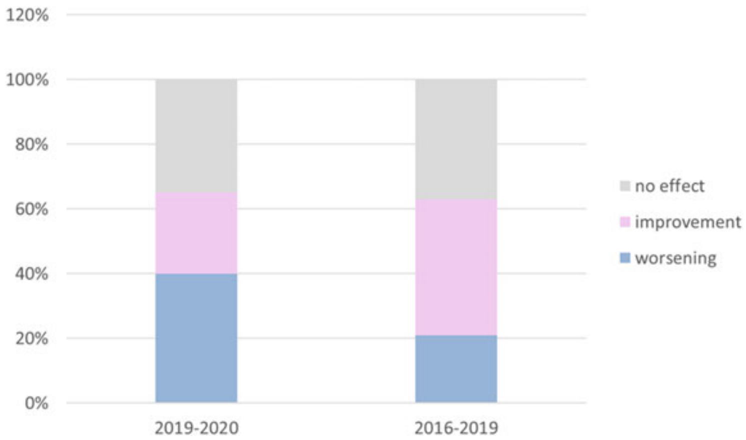

Fig. 7 Changes in parameters (comparison between years 2016–2019 and 2019–2020). Source: Authors' elaboration

inequalities. Specifically, the quality, quantity and methods of presentation of information relating to gender issue in these companies were examined, in order

(i) To verify how much the introduction of the non-financial information produced an improvement in the gender quality information of the Italian listed companies in the mid-term and what is the current evolution in that kind of information.
(ii) To analyze the type of response (symbolic or substantive) adopted by Italian listed companies in the implementation of the new regulation.

About the impact produced by the new regulation in the mid-term, the analysis indicates the existence of a relevant impact. The study reveals that there is a growing interest in the topic. We find an improvement on gender disclosure mainly concerns the companies that provided a low or medium level of gender information, not the companies that already paid attention to the topic before the introduction of the regulation. Figure 7 summaries the changes in parameters putting in comparison respectively the years 2016–2019 (med-term) and 2019–2020 (short term).

These results appear consistent with previous studies such as DiMaggio and Powell (1983), according to with organizations always try to operate within the limits of their social spheres by striving to be perceived as legitimate. Thus, the greater the likelihood of an adverse change in society's expectations of how an organization operates, the greater the organization's desire to change these adverse views to ensure their legitimacy (Branco and Rodrigues 2006) and achieve social acceptance (Deegan et al. 2002).

However, our findings suggest that the Italian listed companies adopted mainly a symbolic approach and thus more a "ceremonial conformity" to the law requirements (Meyer and Rowan 1977), adopting certain highly visible and salient practices that are consistent with social expectations without making meaningful changes in their activities and in the effectiveness of the disclosure provided (Ashforth and Gibbs 1990)

Regarding the recent evolution in the gender disclosure, the results suggest the absence of apparent changes in the 2 years analysed (2019 and 2020). Although the overall companies scores are approximately the same in the 2 years, the study suggests that is ongoing a change in the companies' approach. The information seems becoming more substantially with reduction of some parameters that indicate the existence of a symbolic practice.

The paper also investigated any information provided by the companies examined in the financial and non-financial disclosure 2019 and 2020 on the eventual impacts that COVID-19 produced on gender inequalities. In other words, the question was if the companies provided a specific information on the COVID-9 effects on gender inequalities. No empirical evidence was found on this aspect because the companies produced no specific information.

This paper makes several contributions to the gender literature.

First of all, this paper fills the gap in the literature by highlighting an unexplored area of literature related to the quantity and quality of gender disclosure drawing upon the regulatory framework of non-financial reporting.

Second, the study sheds light on effect of the introduction of a non-financial regulation on the gender issues not only in mid-term but also in the recent years and thus in short-term.

Third, our analysis uses the legitimation theory to explain the association of the changes in mid-term and short-term providing with symbolic or substantive practices. From this point of view, the conclusions of the research offer insights to policy makers to measure the effectiveness of the rules on gender disclosure so to contribute to the ongoing reflection on the updating of the directive on non-financial information by the EU and on the standards that European and international accounting bodies will issue on this topic.

Finally, as far as we know, this is the first research that explores the issue of quality-quantity of information on gender. Thus, it is ideally in line with the pressures of the institutions to call on companies to provide minimum indications on gender equality in companies, including the involvement of company trade union representatives and territorial and regional equality councilors.

Like all studies, ours is not without limitations. It is, indeed, a preliminary research that offers some indications of the status quo and current trends. To reach conclusions of general validity, it is necessary to extend the sample, including other companies that prepare the NFSs in accordance with the law. Furthermore, it is necessary to extend the reference time horizon, including at least the 2021 NFSs.

Another limit of the research is described by the reduced articulation of the scores assigned to the parameters (zero or one), helpful for a first screening but not suitable for grasping the different sensitivities of companies to the issue of gender.

Our results strive for new lines of research and may push scholars to analyze in-depth the quality information rendered by the public companies.

References

Adams C.A., Coutts A., Harte G. (1995). Corporate Equal Opportunities (Non-) Disclosure, The British Accounting Review, 27(2), 87–108.

Adams C.A., Harte G. (1998). The changing portrayal of the employment of women in British banks and retail companies corporate annual reports, Accounting, Organizations and Society, 23(8), 781–812

Archel P., Husillos J., Larrinaga, C., & Spence, C. (2009). Social disclosure, legitimacy theory and the role of the state. Accounting, Auditing & Accountability Journal, 22(8), 1284–1307.

Ashforth B. E., Gibbs B.W. (1990). The double-edged of organizational legitimation. Organization Science, 1(2), 177–194.

Beets S.D., Souther C.C. (1999). Corporate Environmental Reports: The need for standards and an environmental assurance service. Accounting Horizon, 13, 129–145.

Benschop, Y., & Meihuizen, H. E. (2002). Keeping up gendered appearances: representations of gender in financial annual reports. Accounting, Organizations and Society, 27(7), 611–636.

Boiral, O. (2013). Sustainability reports as simulacra? A counter-account of a and a+ GRI reports. Auditing & Accountability Journal, 26(7), 1036–1071.

Branco M.C., Rodrigues, L.L. (2006). Communication of corporate social responsibility by Portuguese banks. Corporate Communication: An International Journal, 11(3), 232–248.

Brown J. (2009). Democracy, sustainability and dialogic accounting technologies: Taking pluralism seriously. Critical Perspectives on Accounting, 20(3), 313–342.

CDP, The Climate Disclosure Standards Board (CDSB), The Global Reporting Initiative (GRI), The International Integrated Reporting Council (IIRC), &The Sustainability Accounting Standards Board (SASB). (2021). Statement of Intent to Work Together Towards Comprehensive Corporate Reporting, Available on site: www.cdp.net

Chen J., Roberts R. (2010). Toward a more coherent understanding of the organization–society relationship: A theoretical consideration for social and environmental accounting research. Journal of Business Ethics, 97, 651–665.

Cho C. H., Laine M., Roberts R. W., Rodrigue, M. (2015). Organized hypocrisy, organizational façades, and sustainability reporting. Accounting, Organizations and Society, 40, 78–94.

Cormier, D. and Gordon, I.M. (2001), An examination of social and environmental reporting strategies, Accounting, Auditing & Accountability Journal, 14(5), 587–617.

Costa, E., Agostini, M. (2016). Mandatory disclosure about environmental and employee matters in the reports of Italian-listed corporate groups. Social and Environmental Accountability Journal, 36(1), 10–33.

Cucari N., De Falco S.E., Orlando B. (2018). Diversity of Board of Directors and Environmental Social Governance: Evidence from Italian Listed Companies. Corporate, Social, Responsibility and Environmental Management, 25, 250–266.

Deegan, C. (2007). Insights from legitimacy theory. In J. Unerman, J. Bebbington, & B. O'Dwyer (Eds.), Sustainability accounting and accountability. New York, NY: Routledge.

Deegan, C., Rankin, M., & Tobin, J. (2002). An examination of the corporate social and environmental disclosures of BHP from 1983-1997: A test of legitimacy theory. Accounting, Auditing & Accountability Journal.

Deephouse, D. L., Bundy, J., Tost, L. P., & Suchman, M. C. (2017). Organizational legitimacy: Six key questions. The SAGE handbook of organizational institutionalism, 4(2), 27–54.

DiMaggio P. J., Powell, W.W. (1983). The iron cage revisited: institutional isomorphism and collective rationality in organizational fields. American Sociological Review, 48, 147–160.

Dumay, J., Frost, G., & Beck, C. (2015). Material legitimacy. Journal of Accounting & Organizational Change, 11(1), 2–23.

Duriau, V. J., Reger, R. K., & Pfarrer, M. D. (2007). A content analysis of the content analysis literature in organization studies: Research themes, data sources, and methodological refinements. Organizational research methods, 10(1), 5–34.

European Commission (EC). (2019). Communication on the European Green Deal. COM(2019) 640 final. Adjusted Commission Work Programme 2020 COM(2020) 440 final. Available on site: https://ec.europa.eu/

European Commission (EC). (2021). Proposal for a Directive of the European Parliament and of the Council amending Directive 2013/34/EU, Directive 2004/109/EC, Directive 2006/43/EC and Regulation (EU) No 537/2014, as regards sustainability disclosures by certain undertakings. Available on site: https://ec.europa.eu/

Fernando, S., & Lawrence, S. (2014). A theoretical framework for CSR practices: Integrating legitimacy theory, stakeholder theory and institutional theory. Journal of Theoretical Accounting Research, 10(1), 149–178.

Furlotti K, Mazza T, Tibiletti V, Triani (2019) S. Women in top positions on boards of directors: gender policies disclosed in Italian sustainability reporting. Corporate, Social, Responsibility and Environmental Management 26, 57–70.

Gray R. Kouhy R., Lavers, S. (1995). Methodological themes: Constructing a research database for social and environmental reporting by UK companies. Accounting, Auditing &Accountability Journal, 8(2), 78–101.

Gulenko M. (2018). Mandatory CSR reporting—Literature review and future developments in Germany. In Sustainability management forum, 26, 3–17. Berlin/Heidelberg, Germany: Springer.

Guthrie J, Parker L.D. (2012). Corporate social reporting: A rebuttal of legitimacy theory, Accounting and Business Research, 76(19), 343–352.

Harjoto M., Laksmana I., Lee R. (2015). Board Diversity and Corporate Social Responsibility. Journal of Business Ethics, 132(4), 641–660.

Helfaya, A., & Whittington, M. (2019). Does designing environmental sustainability disclosure quality measures make a difference?. Business Strategy and the Environment, 28(4), 525–541.

Helfaya A., Whittington M., Alawattage C. (2019). Exploring the quality of corporate environmental reporting: Surveying preparers' and users' perceptions. Accounting, Auditing & Accountability Journal, 32(1), 163.

Hopwood, A. G. (2009). Accounting and the environment. Accounting, Organizations and Society, 34, 433–439.

Ioannou I., Serafeim G. The consequence of mandatory corporate sustainability reporting: Evidence from four countries. In Harvard Business School Research Working Paper. Harvard Business School: Boston, MA, USA, 2014, 11–100.

Khlif, H., Achek, I. (2017). Gender in accounting research: a review. Managerial Auditing Journal. 32(6), 627–655.

La Torre, M., Sabelfeld, S., Blomkvist, M., Tarquinio, L. and Dumay, J. (2018), Harmonising non financial reporting regulation in Europe: practical forces and projections for future research, Meditari Accountancy Research, 26(4), 598–621.

Leopizzi R., Iazzi A., Venturelli A., Principale, S. (2020), Nonfinancial risk disclosure: The "state of the art" of Italian companies, Corporate, Social, Responsibility and Environmental Management, 27, 358–368.

Liao L., Luo L., Tang Q. (2015), Gender diversity, board independence, environmental committee and greenhouse gas disclosure, British Accounting Review, 47(4), 409–424.

Linsley, P. M., & Shrives, P. J. (2006). Risk reporting: A study of risk disclosures in the annual reports of UK companies. The British Accounting Review, 38(4), 387–404.

Lock I., Seele P. (2016). The credibility of CSR (corporate social responsibility) reports in Europe. Evidence from a quantitative content analysis in 11 countries. Journal of Cleaner Production, 122, 186–200.

Lombardi, R., Cosentino, A., Sura, A. and Galeotti, M. (2021), The impact of the EU Directive on non-financial information: Novel features of the Italian case, Meditari Accountancy Research, ahead-of-print

Luque-Vilchez M., Larrinaga C. (2016) Reporting Models do not Translate Well: Failing to Regulate CSR Reporting in Spain. Social and Environmental Accountability Journal, 36, 56–75.

Mazzotta R, Bronzetti G, Veltri S. (2020). Are mandatory non-financial disclosures credible? Evidence from Italian listed companies. Corporate, Social, Responsibility and Environmental Management, 27, 1900–1913.
Mayring, P. (2015). Qualitative content analysis: Theoretical background and procedures. In Approaches to qualitative research in mathematics education (pp. 365–380). Springer, Dordrecht.
Meyer, J. W., & Rowan, B. (1977). Institutionalized organizations: Formal structure as myth and ceremony. American journal of sociology, 83(2), 340–363.
Michelon, G., Pilonato, S., Ricceri, F. (2015). CSR reporting practices and the quality of disclosure: An empirical analysis. Critical Perspectives on Accounting, 33, 59–78.
Moratis, L., & Brandt, S. (2017). Corporate stakeholder responsiveness? Exploring the state and quality of GRI-based stakeholder engagement disclosures of European firms. Corporate Social Responsibility and Environmental Management, 24(4), 312–325.
Neu D., Warsame H., Pedwell K. (1998). Managing public impressions: Environmental disclosures in annual reports. Accounting, Organizations and Society, 23(3), 265–282.
Owen, D. (2008), Chronicles of Wasted Time? A Personal Reflection on the Current State of, and Future Prospects for Social and Environmental Accounting Research, Accounting, Auditing and Accountability Journal, Vol. 21, No. 2, 240–267.
Palazzo, G., & Scherer, A. G. (2006). Corporate legitimacy as deliberation: A communicative framework. Journal of business ethics, 66(1), 71–88.
Paoloni, P., Doni, F., Fortuna, F. (2016). L'informativa sulla diversità di genere: cosa cambia con l'Integrated Reporting? Il caso del Sudafrica, (Information on gender diversity: what changes with Integrated Reporting? The case of South Africa), in P. Paoloni (Ed.), , Edicusano, Romein P. Paoloni (Ed.), I mondi delle donne Percorsi interdisciplinari, (Women's worlds Interdisciplinary paths), Edicusano: Rome.
Parker, J. (2005). Cooperation and conflict: an analysis of political legitimacy claims in lobbying for education for sustainable development. Contemporary Politics, 11(2–3), 169–177.
Pfeffer, J., & Salancik, G.R. (1978). A resource dependence perspective. In Intercorporate relations. The structural analysis of business. Cambridge: Cambridge University Press.
Pfeffer, J., Salancik G.R. (2003). The external control of organizations: A resource dependence perspective, Stanford University Press.
Purwa P.A.L., Setiawan D., Phua L.K. (2020). Gender in Accounting Research: Recent Development in Indonesia, Jurnal Akuntansi dan Bisnis, 20(1), 45–56.
Safari M. & Areeb A. (2020). A qualitative analysis of GRI principles for defining sustainability report quality: an Australian case from the preparers' perspective. Accounting forum, 44, 344–375.
Schreier, M. (2012). Qualitative content analysis in practice. Sage publications.
Setó-Pamies, D. (2015). The Relationship between Women Directors and Corporate Social Responsibility. Corporate Social Responsibility and Environmental Management, 22, 334–345.
Smith, M., & Taffler, R. J. (2000). The chairman's statement-A content analysis of discretionary narrative disclosures. Accounting, Auditing & Accountability Journal.
Suchman, M. C. (1995). Managing legitimacy: Strategic and institutional approaches. Academy of management review, 20(3), 571–610.
Tyler, T. R. (2006). Why people obey the law. Princeton: Princeton University Press.
Velte P., Stawinoga M. (2017). Integrated reporting: The current state of empirical research, limitations and future research implications. Journal of Management Control, 28:275–320.
Venturelli A., Caputo F., Cosma S., Leopizzi R., Pizzi S. (2017). Directive 2014/95/EU: Are Italian companies already compliant? Sustainability, 9, 1385.
Yin, R. K. (2014), Case Study Research: Design and Methods, SAGE, Los Angeles.
Zimmerman, M. A., & Zeitz, G. J. (2002). Beyond survival: Achieving new venture growth by building legitimacy. Academy of management review 27(3), 414–431.