**Abstract**

When looking at annual reports, two important developments can be identified. Firstly, technology has given more opportunities to companies to provide financial and non-financial information at any time. Secondly, companies have become more transparent about their activities to their stakeholders. Partly because of these developments annual reports have become more extensive, more complex, more expensive and are published more frequently. Results of this research show that accountants and controllers value the use of social media for highlighting information out of the annual report. This research provides indicators to solve the problem that annual reports are not read often. In this research two types of organisations are examined, namely production organisations and governmental organisations.

**Key words:** social media, annual report, highlighting information, governmental organisation and production organisation.
The possible use of social media by firms for highlighting information out of the annual report

Evidence from controllers and accountants

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Combined master thesis accountancy and controlling
September 2017- February 2018
Word count: 11,956
# Table of content

1. Introduction .......................................................................................................................... 5

2. Theoretical background ....................................................................................................... 9
   2.1 Defining concepts ............................................................................................................. 9
       2.1.1 First development: opportunities of technology ..................................................... 9
       2.1.2 Second development: transparency of companies ..................................................... 9
       2.1.3 Use of social media ................................................................................................. 9
       2.1.4 Strategy of social media ........................................................................................ 9
   2.2 The underpinning theory: legitimacy theory .................................................................. 10

3. Research design and methodology ..................................................................................... 13

4. Results .................................................................................................................................. 17
   4.1 Production organisation ................................................................................................. 17
       4.1.1 Use of social media ............................................................................................... 17
       4.1.2 Strategy social media .......................................................................................... 18
       4.1.3 Opportunities to use social media to highlighting information from the annual report .... 20
   4.2 Governmental organisations ......................................................................................... 25
       4.2.1 Use of social media ............................................................................................... 25
       4.2.2 Strategy social media .......................................................................................... 27
       4.2.3 Opportunities to use social media to highlighting information from the annual report .... 28
   4.3 Overall results .............................................................................................................. 32

5. Conclusion and discussion .................................................................................................... 34
   5.1 Conclusion ...................................................................................................................... 34
   5.2 Practical implications ..................................................................................................... 34
   5.3 Theoretical implications ............................................................................................... 35
   5.4 Limitations .................................................................................................................... 35
   5.5 Further research areas ................................................................................................. 35

References .................................................................................................................................. 36

Appendices ............................................................................................................................... 44

Appendix 1: Compiling the interview guide ............................................................................. 44

Appendix 2: Interview guide controller .................................................................................... 45
   Use of social media ............................................................................................................. 46
   Strategy of social media ..................................................................................................... 46
   Opportunities to use social media to highlighting information from the annual reports ...... 46
   Turning off .......................................................................................................................... 47

Appendix 3: Interview guide accountant .................................................................................. 48
   Use of social media ............................................................................................................. 49
Strategy of social media ................................................................. 49
Opportunities to use social media to highlighting information from the annual reports .......... 49
Turning off .................................................................................... 50
1. Introduction

Recently, the value of issuing annual reports has been debated. It is stated that annual reports provide companies a tool for legitimizing their activities (Deegan, Rankin, and Voght, 2000; O’Donovan, 2002). On the other hand, annual reports cost a lot of money, while they are not read often, as stated by the academicians and practitioners (Annual Report Schiphol Group, 2016; Gothi and Bhojwani, 2015). Two developments can be identified that have founded the discussion about the value of annual reports. First of all, companies are more open about their activities, they are more transparent to their stakeholders (Arnaboldi, Busco, and Cuganesan, 2017). In contrast to the past where companies issued only financial information, nowadays companies issue both financial and non-financial information, which are integrated into the so-called integrated report (McConville, 2017). Secondly, due to modern technology, companies have received more opportunities to share insights at any given moment about their financial and non-financial information, when looking at their activities. Companies can publish the ‘updated’ financial and non-financial information on their website (World development report, 2016; Arnaboldi, Busco, and Cuganesan, 2017). The negative effect of this development is that people could be overwhelmed by the amount of information. Partly because of these developments annual reports have become more extensive, more complex, more expensive, are published more frequently and the amount of provided information has increased, which makes it more difficult to read (Morunga and Bradbury, 2012; Arnaboldi, Busco, and Cuganesan, 2017; World development report, 2016; Hermes, 2013). Consequently, users of the annual report might not read the full report and every published report. Moreover, it is difficult for users to define the mainlines of the annual report (Ruchti and Wasserman, 1983; Chesnick, 2003). Research of Morunga and Bradbury (2012) indicated that the longer an annual report, the less attractive it is to read. Furthermore, it is argued that annual reports are less accessible, due to the fact that the reader is confused as a result of the big amounts of subheadings and the variety of subjects, as stated by Morunga and Bradbury (2012). People do not read the annual reports of companies as a result of its length; it is less accessible and attractive to read. The following problem can be identified: annual reports are not read.

One of the modern technological developments in the field of communication, (which can be) used by companies to provide insights into their financial and non-financial information at any moment, is the relatively new and upcoming communication channel called

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1 With any moment is meant that for example per hour or daily the financial results are insightful.
According to Young and Kafui (2015) social media has become important, and can be associated with both positive and negative consequences. Overall, the effects of social media should not be overlooked. The effects should be taken into consideration because it is difficult to estimate how often the post will be viewed, how the post will be interpreted, what kind of opinion will be formed about it and how people will respond to the post (Qiu, Tang, and Whinston, 2015). Using social media could be beneficial, as stated by Luo, Zhang, and Duan (2013). It is mentioned that there is a relationship between social media and firm value (Luo, Zhang, and Duan, 2013). These authors presented how social media has an influence on the stock price and concluded that social media has a bigger influence than conventional media on the stock price. Moreover, social media is seen as the fastest accepted communication channel by consumers and employers (Zhang, 2015; Martin, Parry, and Flowers, 2015). Zhang (2015) stated that the more transparent a company is, the faster the communication channel social media is accepted. Furthermore, social media can be targeted at specific groups for example to stakeholders of companies (Stern and Ibarra, 2011). Additionally, social media has attracted a quarter of the world population, which makes it a very attractive communication channel for organisations (Poba-Nzaou et al., 2016). This is in line with the statement of Lamberton and Stephen (2016) which argues that social media can be used as a very strong marketing channel, since social media provides new opportunities to service consumers. Some companies observe these opportunities and recognize the importance of social media. Moreover, these companies tend to search ways to use social media (Kaplan and Haenlein, 2010; Suddaby, Saxton, and Gunz, 2015). Considering that social media is a widely spread and fast communication channel which provides new opportunities to legitimize companies’ activities, social media could also be used for highlighting information out of the annual report.

Previous research of Manetti and Bellucci (2016) indicated that companies already use social media as a tool to provide accountability about the contents of social, environmental, or sustainable reporting. According to the study of Bonsón et al. (2012) companies use social media to inform stakeholders about their activities, whereas governments use social media to

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2 The definition of social media, which is used in this paper is a mainly conceived of as a medium wherein “ordinary” people in ordinary social net-works can create and follow user-generated “news” (Murthy, 2012). Examples of social media mediums are: Twitter, Facebook, LinkedIn, Instagram, Snapchat and Youtube (Kaplan and Haenlein, 2012).

3 Young and Kafui (2015) investigated whether social media influences the reputation of a company, as social media can reach numerous external stakeholders and can have major financial consequences if the public perceives negative news. Although social media can harm the reputation of a company, social media can help by the spread of quarterly earnings (Jung et al., 2014).

4 Even though the effects should not be overlooked, social media is the biggest and fastest communication channel (Lovejoy and Sacton, 2012; Holland, Cooper, and Hecker, 2016).
become more transparent and stimulate e-participation. Furthermore, Rivera-Arrubla and Zorio-Grima (2016) mentioned in their research that leading companies use social media to inform the public about sustainable incentives taken from their integrated report. Additionally, research from Abitbol and Lee (2017) stated that by posting CSR messages on Facebook, the involvement of stakeholders has increased. The previously mentioned studies researched the use of social media for sustainability information. However, in these articles the use of social media for highlighting information out of the annual report is missing. Thus, this paper is an addition to existing literature because it focuses on the possibilities to use social media for highlighting information out of the annual report. The aim of this paper is to analyse the perceived value of social media for highlighting financial information out of the annual report.

The following research question can be defined: ‘What is the perceived value of social media for firms for highlighting information from the annual reports?’ Specifically, this paper will provide information about the use of social media by contemporary companies and it will analyse whether or not social media has perceived value for highlighting information out of the annual report.

This research has three contributions to the existing literature in the field of social media. Firstly research of Manetti and Bellucci (2016) indicated that further research can focus on the relationship between organisation types and the use of social media. This research is an addition to the existing literature because it analyses the perceived value of social media for highlighting information out of the annual report for both production and governmental organisations. The second contribution is that this research analyses the perceived value of social media by distributing information to stakeholders. Research of Wei, Xu and Zhao (2015) suggested that further research can indicate the possibilities of information overload via social media. It is advised that this could be executed by using the data technique content analysis. This research is an addition to existing literature because it analyses the possibility of information overload via social media using a thematic analysis, since it evaluates the perceived value of social media for highlighting information out of the annual report. The third contribution can be formulated as a solution for the issue that annual reports are not read often. By law it is required to publish an annual report, which provides companies accountability to the society (Gothi and Bhojwani, 2015). Moreover, it is also mandatory for stock listed companies to gain approval by accountants for their annual reports (Gothi and Bhojwani, 2015). As stated by the previous CFO of Schiphol Group Els de Groot, annual reports cost a lot
of money and are not read. This paper is an addition to existing literature because it gives indicators for a solution to the given problem.

Besides these three contributions to existing literature, this research is also practically relevant. If the results of this paper imply that controllers and accountants recognize opportunities in the use of social media for highlighting information out of annual reports, a lot of companies can start using social media to highlight information out of the annual report. This is also valuable to the society, since it is likely that the accessibility of annual reports will increase, which enables for example investors to make more informed decisions. Additionally, it could be useful for analysts, as their forecast accuracy can be improved when the information is better disclosed and presented (Zhou, Simnett, and Green, 2017). Lastly, if this research suggests that accountants and controllers see possibilities in the use of social media for highlighting information out of the annual report, it could be beneficial for regulators because they have to formulate rules and guidelines about how companies have to highlight information out of their annual reports using social media.
2. Theoretical background

2.1 Defining concepts

2.1.1 First development: opportunities of technology

Lucas et al. (2013) mentioned that ‘information technology is one of the most important drivers of economic and social value in the last fifty years’. Moreover, technology makes it easier for companies to legitimize themselves to the society (Agné, 2016). In this paper technology is defined as the system in which science and knowledge are used purposefully for the development of innovative methods, organizational forms and techniques to meet certain physical and non-physical objectives (Leten, Belderbos and Looy, 2016; Mithas and Rust, 2016).

2.1.2 Second development: transparency of companies

Nowadays companies believe that it is important to be transparent, since ultimately it will lead to more success (Lacy et al., 2010). Furthermore, being transparent about information out of the annual report will lead to a better social position, because it helps gaining legitimacy in the society (Dowling and Pfeffer, 1975; Lindblom, 1993; Glennie and Lodhia, 2013). Considering this, some companies use social media as an accountability system to present their transparency (Manetti and Bellucci, 2016). In this paper transparency is defined as the presentation of the figures in the external report in a way that makes it possible to monitor the financial situation of a company or organization (Margolis and Walsh, 2003; McWilliams and Siegel, 2001; Orlitzky, Schmidt and Rynes, 2003).

2.1.3 Use of social media

The exponential growth in the use of social media is only from the last years (Agnihotri et al., 2012). Nowadays social media is used for: selling products (Agnihotri, et al., 2012), interactive commutation between companies and consumers (Zhang, 2015; Martin, Parry and Flowers, 2015), recruitment of employees (Parker, 2013) and general messages for example communicating a new address (Gerrard, 2017). The definition of social media, which is used in this paper is a mainly conceived medium in which “ordinary” people in ordinary social networks can create and follow user-generated “news” (Murthy, 2012). Examples of social media mediums are: Twitter, Facebook, LinkedIn, Instagram, Snapchat and Youtube (Kaplan and Haenlein, 2012).

2.1.4 Strategy of social media

Research of Lindsey-Mullikin and Borin (2017) and Nelmapius and Boshoff (2016) indicated the importance of having a good developed social media strategy. Next to that,
Castelló, Etter, Nielsen (2016) stated that a good developed strategy results in a better legitimacy of the company to the stakeholders. In this paper strategy is defined as a well thought-out plan that is designed to achieve a set of objectives (Floreddu and Cabiddu, 2016).

2.2 The underpinning theory: legitimacy theory

The underlying theory in this study is the legitimacy theory, which is based on a social contract between firms and the society. Essentially, legitimacy theory can be explained as the activities of the company have to be in line with societies’ expectations, which makes it possible for companies to exist. Trust and willingness of the society allow the company to perform economic activities, which lead to the existence of the company. If the norms and values of the company are in line with those of the society, the company is considered to be legitimate (van der Laan, 2009; Shocker and Sethi, 1973). Organisations seek for legitimacy for different reasons. The importance, difficulty and effectiveness of activities to gain legitimacy depend on the goals that an organization wants to achieve with legitimacy. Two dimensions are important to determine the reasons of legitimacy for an organization (Suchman, 1995). The first dimension includes the distinction between the search for continuity and credibility, which can be clarified as the organisation trying to explain what kind of activities they perform. The organisation has to prevent further questions. The second dimension includes the distinction between actively and passively searching in order to support the environment. The second dimension can be explained as the need for organisations to create value for its stakeholders.

The legitimacy theory was selected since it focuses on the position of the company in the society. Moreover, organisations have the responsibility to give accountability to the society. Companies present their accountability by the use of an annual report, which is required by law (Deegan et al., 2000; O’Donovan, 2002). As stated by Cho and Patten (2007) companies are willing to provide more information than required because with this extra information they legitimate themselves to the society. Companies will do so in order to communicate their legitimacy to the society and to meet society’s expectations (Cormier, Gordon, and Magnan, 2004). Additionally, it is important to be transparent to the stakeholders, because it will lead to good governance (Kim et al., 2005).

The results of this paper have been constituted by the use of the legitimacy theory. By posting the highlighted information on social media, the companies can legitimate themselves
to the society. Moreover, managers will achieve ‘organisational accountability’⁵ (Logsdon and Lewellyn, 2000). In addition, managers will provide accountability to the society because it is vital for the survival of the company (Frost and Seamer, 2002), especially when looking at organisations in the public sector (Gray, Kouhy and Lavers, 1995). Organisational accountability is carried out by companies in the public sector because they are more visible and receive greater attention from their stakeholders (Frost and Seamer, 2002). Furthermore, organisations in the public sector give more accountability to the society in order to legitimize themselves more (Suchman, 1995). In this paper the perceived value of social media for highlighting information out of the annual report is analysed by two governmental organisations and by two production organisations. Particularly for non-governmental organisations it is essential to prevent any negative comments about the company, because its legitimacy is harmed through this the most (Etenson and Knowles, 2008; Suchman, 1995; Wood, 1991). Moreover, negative comments might lead to discredit of the company’s survival. Thence, the reputation of the company is the most important reason why companies want to legitimize themselves to the society. To this extent, reputation has been identified as one of the most important intangible assets that provide a competitive advantage to a company.

Companies want to be open about their activities in order to increase their legitimacy. This practice contains several advantages (Bachmann and Ingenhoff, 2016; Chen, Patten and Roberts, 2008; Deegan, 2002; Dowling and Pfeffer, 1975). Firstly, the power of the company is justified, since the existence of the companies and corresponding rights and obligations are accepted by the stakeholders. Secondly, stakeholders are more concerned by the company. As a result of that, stakeholders and employees for example are more satisfied. Additionally, it might also involve the halo effect, which can be explained by the fact that mistakes are faster accepted and forgotten, because the company legitimizes itself well. In the third place, it can provide companies more insights about their activities. As a result the company can innovate, which could lead to an attractive company to invest in, to collaborate with or to work for. Fourthly, it can increase the trust of the public and financiers within the company. Trust is an important aspect in the survival of the company. The fifth and final advantage of legitimacy is that stakeholders (consumers, suppliers) can make well considered decisions. On the contrary, legitimacy also consists of several disadvantages. First of all, if the company legitimizes itself well, competitors could acquire some sensitive information, which is undesirable for the company because ultimately they might lose their competitive advantage. In the second place,

⁵ The definition of organisational accountability, which is used in this paper is the compliance of transparency and responsiveness trough standards, guidelines and professional qualifications (Logsdon and Lewellyn, 2000).
the company is more vulnerable, as a lot of information about the company is easily available. Therefore, the self-reported information could possibly be used against the company. Research of Morsing, Schultz, and Nielson (2008) stated that stakeholders disfavour the availability of information about the company. Thirdly, too much legitimacy can lead to self-promotion which could develop a sceptical attitude of the stakeholders, in which case legitimacy works counterproductive (Ashforth and Gibbs, 1990; Sonpar, Pazzaglia and Kornijenko, 2010). Overall, research has indicated that legitimacy has more advantages than disadvantages.

As mentioned before, legitimacy has a lot of advantages and the most important way to obtain these benefits is to communicate with the stakeholders (Suchman, 1995). A constant flow of communication should exist between the company and its stakeholders (Massey, 2001). Legitimacy can be considered as the assumption or perception from stakeholders and demonstrates the way how they view the organization (Suchman, 1995). Thus, legitimacy can be obtained through good communication with the stakeholders. This research analyses the perceived value of social media to inform stakeholders, and thus is a way of communication with the ultimate goal to gain legitimacy.

If companies post highlights taken from the annual report on social media, their legitimacy will increase. An increase will occur because social media is a communication channel, which can provide information to the stakeholders. The relative distance between the stakeholders and the companies will be reduced, since social media is low threshold to anybody who uses it and it is an easy way to respond if information is unclear. For that reason it is very attractive for companies to use social media as a tool to gain legitimacy or to expend their legitimacy. Governmental organisations probably have different reasons for gaining legitimacy than production organisations.

The legitimacy theory was applied in this paper in order to clarify the results of this research. The legitimacy theory explains why some companies recognize perceived value in the use of social media for highlighting information out of the annual report and others do not. The perceived value of social media can be explained through the expectations and responses of the stakeholders.
3. Research design and methodology

This qualitative study analyses the perceived value of using social media by highlighting information out of the annual report. A qualitative way of research was chosen because it provides more in-depth information about motivations, needs, wants and opinions. The following research question has been formulated: ‘What is the perceived value of social media for firms for highlighting information from the annual reports?’ When looking at the research question two perspectives were considered; (1) the perspective from an accountant and (2) the perspective from a controller. It is expected that the accountant prefers to publish more reliable and mandatory information out of the annual report by posting it on social media. When looking at the controller it is predicted that the company will reach a lot of people by posting information out of the annual report on social media. It is expected that a difference will appear between the perception of accountants and controllers when looking at the usefulness of social media for their organisations. By answering the question if social media has a perceived value for highlighting information out of the annual report, both perceptions will be researched.

In order to answer the research question, eight interviews were conducted, of which four from the point of view of a controller and four from the point of view of an accountant. The interviews were divided into two categories: two controllers and two accountants of a production organisation and two controllers and two accountants of a governmental organisation. The organisations were selected based on the interest of their stakeholders. The companies have to legitimate themselves to their stakeholders. The stakeholders are vital for production organisations because the companies depend on both consumers and suppliers. The production organisations have to give accountability to their stakeholders. The two production organisations which were engaged in this paper are: a milk factory and a coffee machine producer. When looking at governmental organisations, the consumers (society) are the most important stakeholders, because the company provides them their service. The two governmental organisations which were engaged in this paper are: a municipality and a province. The difference between production organisations and governmental organisations is the reason of existence. For governmental organisations the main reason for existence is service provision to citizens whereas the main reason for production organisations is to sell their products, ultimately to make profit. Since the above mentioned organisations have different reasons for existence and end goals, the expectations of their stakeholders might differ. The stakeholders from a governmental organisation might expect something different with respect to accountability than the stakeholders from a production organisation. The
different expectations from the society make it interesting to research the two organisations and their perceived value of social media when highlighting information out of the annual report. Production organisations and governmental organisations were selected as they have a similarity: the importance of stakeholders. However, a major difference must be noted, the expectations of their stakeholders with respect to accountability. This difference depends on the way how the companies legitimate themselves to the society.

Two different types of organisations are significant in this paper, namely production organisations and governmental organisations. Organisation 1 and 2 are production organisations. Organisation 1 is a coffee machine production company. The company produces exclusive high quality coffee machines and delivers their coffee machines to dealers, which on their turn sell it to consumers. Organisation 2 is a milk factory. This company processes milk into dairy products. The farmers who supply milk to the factory are members of the cooperation of the factory. Organisation 3 and 4 are set as governmental organisations. Organisation 3 is a province. A province is a governmental body that executes administrative affairs at provincial level. Tasks of a province include the assessment of the expansion of cities and villages, the organisation of infrastructure, maintenance of infrastructure and preservation of the environment (Rijksoverheid, 2017). Organisation 4 is a municipality. A municipality is a group of settlements (villages, cities) with the associated area that is controlled by a political apparatus. Tasks of the municipality include the basic registration of citizens, the provision of payments and subsidies and the provision of official documents (Rijksoverheid, 2017).

Interviews were selected as the data collection method since it would draw an in-depth representation of the individual views of both accountants and controllers. Another advantage of this method is that information about the underlying perceptions and opinions of the interviewees will be discovered. Since the accountants and controllers have different positions amongst the various companies, the interview questions were adjusted to the respective positions. The interviews were semi-structured and consisted of fifteen open questions. These fifteen questions covered the following topics; (1) use of social media, (2) the strategy with respect to social media, (3) the opportunities controllers see in social media for highlighting information from the annual reports. Each topic consisted of five questions. The first theme was selected since it would provide an overview about the use of social media when looking at companies nowadays. This general information is relevant for the background analysis of the company when looking at the use of social media. The second topic covered the strategy and

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6 In the appendix an explanation about the interview and an overview of the interview guidelines can be found.
involvement of social media and was selected because it is relevant to understand how much influence the participants have when using social media. Finally, the third subject was selected in order to answer the overall research question. To prevent any biases pilot interviews were conducted in order to discover whether the questions were useful, clear and if the analysis could be executed by more people.

Eight in-depth interviews were conducted in which the participants had the opportunity to express their personal opinion about the perceived value of using social media for highlighting information out of the annual report. The tables 1 and 2 presents a summary of the general information about the interviewees. The interviews took approximately 30 to 45 minutes and if approved by the interviewees the interviews were recorded. Subsequently, the recorded interviews were transcribed and a thematic analysis was performed. In a thematic analysis the statements of interviewees are divided by style and type, in order to be able to compare them. The author developed a personalized coding system in order to shorten the statements of the interviewees. Moreover, the coding process was based on inductive coding, in which each sentence or paragraph is summarised in one word. These summarised words resulted in codes, which were theoretically connected. Based on the quantity of the codes a hierarchy of importance was created. The hierarchy was used for determining the connections and relationships amongst the different interviews. Based on this analysis, insights were derived on how companies analyse the perceived value of social media by highlighting information out of the annual report.

<table>
<thead>
<tr>
<th>Production organisation</th>
<th>Function</th>
<th>Gender</th>
</tr>
</thead>
<tbody>
<tr>
<td>Controller 1</td>
<td>Financial manager</td>
<td>Male</td>
</tr>
<tr>
<td>Controller 2</td>
<td>Financial director</td>
<td>Male</td>
</tr>
<tr>
<td>Accountant 1</td>
<td>Manager</td>
<td>Male</td>
</tr>
<tr>
<td>Accountant 2</td>
<td>Manager</td>
<td>Male</td>
</tr>
<tr>
<td><strong>Table 1: General information production organisations</strong></td>
<td></td>
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</tbody>
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<table>
<thead>
<tr>
<th>Governmental organisation</th>
<th>Function</th>
<th>Gender</th>
</tr>
</thead>
<tbody>
<tr>
<td>Controller 3</td>
<td>Controller</td>
<td>Male</td>
</tr>
<tr>
<td>Controller 4</td>
<td>Communication advisor finance</td>
<td>Female</td>
</tr>
<tr>
<td>Accountant 3</td>
<td>Manager</td>
<td>Male</td>
</tr>
<tr>
<td>Accountant 4</td>
<td>Manager</td>
<td>Female</td>
</tr>
<tr>
<td><strong>Table 2: General information governmental organisations</strong></td>
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</tbody>
</table>

The interviews were executed in the months September, October and November of the year 2017. The eight interviews were conducted within three months, in order to minimise the influence of time on the results since views can change amongst time. Two accountancy firms
were selected, in order to increase the chance of finding suitable organisations\textsuperscript{7}. Together with the accountants four suitable organisations for the research were selected. Firstly the accountants of the given organisations were interviewed, hereafter the interviews with the controllers were conducted.

\textsuperscript{7} The names of the accountancy firms are not mentioned due to their privacy.
4. Results

4.1 Production organisation

4.1.1 Use of social media

At this moment, both organisations are not using social media to its full potential. Organisation 1 and organisation 2 use social media very specifically. Both controllers indicated that there can be more benefits when using social media.

Controller 1: ‘Social media is still a bit in its infancy. For two years, the marketing department has expanded, because it is important to invest well in social media. Our company uses Instagram, Twitter, Facebook, LinkedIn and Youtube.’

Controller 2: ‘We only use Facebook and LinkedIn, especially for recruiting new employees. There are plenty of opportunities, which we are not using at this moment: announcing events, providing information, announcing changed laws and regulations and interactive communication with members.’

Research of Araújo and Novaes Zilber (2016) mentioned that big innovation companies like IT easily incorporated social media as a communication channel. This statement is in line with the findings of this study, which pointed out the little use of social media when looking at production organisations. Furthermore, research of Juyun and LoCascio (2013) stated that 45% of the selected 500 companies use Facebook and Twitter, whereas only 15% of the selected 500 companies use LinkedIn. It can be derived from this study that the majority of the companies are not using social media. Therefore it can be concluded that is unremarkable that production organisations are not utilizing the benefits of social media to its full potential. Both companies use social media very specifically, however the opportunities of social media are utilized very little. Previously mentioned studies of Agnihotri et al. (2012), Zhang (2015), Martin, Parry and Flowers (2015), Parker (2013) and Gerrard (2017) pointed out which opportunities social media facilitates to legitimate to their stakeholders. When looking at the quotes of the controllers it can be concluded that they recognize opportunities which are facilitated by social media. The controllers notice the benefits and the importance of social media for the legitimation of the company, as organisation 1 wants to invest in social media and organisation 2 recognizes the opportunities. Research of Fosso Wamba et al. (2017) stated that the most important reason for acceptance is that companies notice the benefits and possibilities of the use of social media. Hence, it can be concluded that both organizations are ready and open for using social media more often, as they accept a big innovation like social
media. The acceptance and openness to use social media is important, because in this research the use of social media for highlighting information out of the annual report is analyzed. As mentioned by Hurmerinta and Sandberg (2015) acceptance of innovations depend on the age and gender of people and it requires cultural change. Nowadays, social media is embedded in our culture. Overall it can be said that these companies are open for the acceptance of a bigger use of social media to legitimate the company to the society. Subsequently, companies are willing to provide more information to legitimate themselves better to the society.

Only controller 2 recognize a disadvantage of social media, due to a negative publicity his company recently experienced.

*Controller 2: 'Recently we have been cited in a statement of a lawyer, who initiates proceedings against us. This was unpleasant, because it was negative publicity.'*

A disadvantage of using social media is negative publicity, the reputation of a company can be affected quickly. Zolkos (2012) explained the possible outcomes for reputation risks on social media. Reputation damage could be the result of bad legitimacy. Companies do not want sensitive information to be available, because it can damage their legitimacy and as a result of that the company is more vulnerable.

Additionally accountants implied that social media has become a more important communication channel.

*Accountant 2: ‘I am connected to all my clients on LinkedIn. A lot of CEOs and directors have a LinkedIn profile. This is a way how we inform each other.’*

The above stated quote is supported by the previously mentioned research of Rokka, Karlsson and Tienari (2014), which suggested that accountants are open for a bigger use of social media. Moreover, accountants recognize the importance of social media and accept the use of it. This finding is in line with the previous mentioned research of Fosso Wamba et al. (2017). Furthermore, social media is also a helpful communication channel to gain legitimacy from the society, as communication with stakeholders is the key to good legitimacy.

### 4.1.2 Strategy social media

Both organisations have developed a strategy for expanding brand awareness and organisation 2 wants to give accountability to its stakeholders.

*Controller 1: ‘Our social media strategy is that we want to be more visible.’*
Controller 2: ‘Our strategy is to distribute information correctly and accurately to give accountability to members of the cooperation [...] We also want to expand brand awareness.’

Research of Yeh (2017) stressed the importance of adjusting the social media strategy to the main goals of the organisation. From this statement it can be derived that it is vital to have a well-developed social media strategy, both controllers understand the importance. Moreover, both organisations use social media with the intention to expand their brand awareness. ‘Social media is hot and has turned into a "must" for businesses looking for brand awareness.’ (Neti, 2011). This statement is supported by research of Bija and Balas (2014), which mentioned that brand awareness increases by the use of social media. The companies know what goals they would like to achieve with social media, however the outcomes are not optimal yet. Companies search for ways to increase their legitimacy when using social media. Earlier mentioned research of Kaplan and Haenlein (2010) and Suddaby, Saxton, and Gunz (2015) discussed that is difficult for companies to fulfil the role of social media. Organisation 1 wants to increase their brand awareness, thus their objective with regard to legitimacy is to increase their credibility and continuity. The company wants to be transparent about what they are doing. Organisation 2 wants to give accountability, thus their goal in relation to legitimacy is the passive search of support in their environment. The company will create value for the members of the cooperation. Overall the strategies of the companies fit to the goals for gaining legitimacy. It is important to take the legitimacy goals of the companies into consideration, because this research analyses the value of the use of social media for highlighting information out of the annual report.

Both controllers recognize the changes in the use of social media for targeting younger people.

Controller 1: ‘[...] It could certainly be used by this company to reach young people, because currently our product is mainly consumed by the elderly people.’

Controller 2: ‘In the future, social media could be a good communication channel to involve younger members into the cooperation.’

According to Lüders and Gjevjon (2017) older people use of social media less than younger people. Almost all young people use social media (Poba-Nzaou et al., 2016) and the younger group can be targeted better when using social media (Arnaboldi et al., 2017). These quotes indicate that companies recognize changes in the use of social media to gain legitimacy form the younger people, as currently the legitimacy of this group is not achieved. Controller 2
mentioned that they want to involve the younger stakeholders more, in order to increase their legitimacy. Eventually this increase in legitimacy will lead to more satisfied and loyal people connected to the company.

4.1.3 Opportunities to use social media to highlighting information from the annual report

The above mentioned paragraphs imply that social media is used little by production organisations, however, the interviewees observe changes in the use of social media. The organisations want to invest in social media and utilize the benefits of social media more. In addition, the organisations accept a greater usability of social media within their company, but they are currently searching for ways how to use social media. The companies have some goals in relation to social media, but at this moment these goals are not achieved yet. The companies expect that social media can reach potentially a lot of younger people. This is interesting for both companies because currently younger people are reached less often. An example of such an opportunity is using social media for highlighting information out of the annual report via social media. It could be a useful opportunity to use social media, because the legitimacy of the company will increase.

The accountants and controllers of both organisations value the use of social media for highlighting information out of the annual report. The controllers and accountants value social media for different reasons, they encounter different benefits when using social media for highlighting information out of the annual report.

Controller 2: ‘I see opportunities for using social media to highlight information out of the annual report, because the information should be explained to members of our cooperation. Often members find it difficult to define the main lines of the annual report, because generally an annual account is very complex and consists of a large number of pages [...]’

Accountant 2: ‘I see opportunities, but I only expect specific positive information which will be shared. For example, revenue increased 10%, employee growth, profit increase. [...] Thus, a company will share information of which they are proud of, or something with growth, because the society expects it. This information will be shared by companies because customers want to join the winners (those who are successful). [...] I expect that the information will be remembered because positive highlights are easy to remember. This ensures a good reputation because it is strengthened and confirmed by social media [...]’

8 Based on the interviews with the accountants and controllers of the production organisation.
The controllers and accountants of the organisations give different arguments for using social media to highlight information out of the annual report. Controller 1 mentioned that it is a fast communication channel. This statement is in line with the previously mentioned studies of Zhang (2015) and Martin, Parry and Flowers (2015). Controller 2 implied that highlighting information out of the annual report can help readers to define main lines out of the annual report. This comment is in line with the previously mentioned research of Ruchti and Wasserman (1983) and Chesnick (2003), which claims that the length of the annual reports is one of the reasons. Overall the controllers mentioned that communication is very important in order to increase legitimacy, because communication with stakeholders is the key. Moreover, accountant 1 stated as a main argument that they depend on the goals of the organisation. Research of Gietzmann (2006) pointed out that there is a relationship between strategic goals and the disclosure of information. Also, the legitimacy theory understands that is important to define the goals of the company with the legitimacy (Suchman, 1995). Accountant 2 mentioned that companies will share positive information out of the annual report because consumers want to cooperate with winners. In other words, consumers want to collaborate with companies which have good financial results. An example taken from the article from Paredes (2017) confirms this statement. For instance, a lot of people enter the company Apple, since this company shares a lot of information and people would like to be part of Apple. This example is in line with the legitimacy theory, which claims that people are more loyal to the company if companies legitimate themselves well (Suchman, 1995). These different reasons indicate that the controllers and accountants value the use of social media for highlighting information out of the annual report. Furthermore, it indicates that companies want to legitimate themselves to the society and meet the expectations of their stakeholders. Additionally, companies want people to understand the information which is published on social media, as it will increase their legitimacy.

At the same time, the accountants and controllers made some recommendations and remarks on the use of social media for highlighting financial information out of the annual report.

Controller 2: ‘One disadvantage of using social media to highlight information out of the annual report is that the information cannot be explained properly. Typically, the annual reports are explained during a meeting, social media does not offer opportunities for this.’
Accountant 2: ‘I expect that if the highlighted information out of the annual report will be published, ‘normal people’ will not use this information, because it is misunderstood. People do not know the difference between costs and expenses, find this information uninteresting and therefore the information is misunderstood.’

A disadvantage of using social media to highlight information out of the annual report is that there is no possibility to explain the information. A solution for this problem could be to provide links with information behind the numbers, from which an explanation can be derived. This is in line with the legitimacy theory, which claims that stakeholders have to understand the information, otherwise the legitimacy does not work. Moreover, accountant 2 mentioned that people have no interest in the highlighted information out of the annual report. A possible explanation for this indifference could be that people do not understand the information, because it is too complex (Morunga and Bradbury, 2012). This statement is in line with the legitimacy theory, which claims that legitimacy does not work if people do not understand it (Suchman, 1995). On the other hand, research of Moser and Martin (2012) suggested that the society expects companies to be more transparent about their activities. Additionally, Deegan et al. (2000) and O’Donovan (2002) stated that stakeholders are more involved in the company, due to transparency. This statement indicates that people are interested in the information out of the annual report, and it should be made understandable in order to fulfil legitimacy.

Three out of the four interviewees preferred the medium LinkedIn⁹, because it is a professional communication platform.

Controller 2: ‘I think that LinkedIn is the best communication channel for highlighting information out of the annual report.’

According to Parkes (2013) LinkedIn is professional social network, which is used in a formal way. Companies want to share their information via a professional network such as LinkedIn, in order to keep in touch with their stakeholders successfully. Therefore, the information is specified to members from the LinkedIn page of the company, which allows the company to specify the legitimation to its members. To obtain legitimacy it is important to communicate properly via an effective communication channel.

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⁹ Based on the interviews with the accountants and controllers of the production organisation.
The interviewees indicated that the accountant has to check the highlights out of the annual report on social media and needs to provide some kind of approval that the information has been checked\textsuperscript{10}.

\textit{Controller 1: ‘It would certainly be desirable that the accountant checks the shared highlights on social media and gives approval to this shared information, otherwise all kinds of information can be shared via social media.’}

\textit{Accountant 1: ‘In our engagement letter it is incorporated that we would like to read the written press releases […]’}

The above mentioned quotes are in line with the previously mentioned research of Wallage (2005), which claimed that the accountant is the confidential advisor of the society. These statements indicate that if the highlighted information taken from the annual report is shared and posted on social media, it should be checked by an accountant since the readers of the post assume that the provided information is reliable and complete. This quote is in line with the legitimacy theory, because companies meet the expectations from the stakeholders as they expect that the information has been checked.

Three out of the four interviewees expect that the use of social media for highlighting information out of the annual report will be received well by the stakeholders\textsuperscript{11}. All four interviewees expect that the highlights out of the annual report on social media are more easy to read than the annual report, because it is easily available and actively presented to the society.

\textit{Controller 2: ‘I expect that the use of social media for highlighting information out of the annual report will be received well, especially by the ‘young’ members, because they have more affinity with social media. Therefore it will be positively received and will be read more often than the annual reports.’}

\textit{Accountant 2: ‘I expect that highlighting information out of the annual report will not be received positively. People are not interested in this. [...] People are not concerned about this information, because it does not meet their interests and therefore they do not understand the information. [...] People do not want to be involved in this way, essentially people are egoists.}

\textsuperscript{10} Based on the interviews with the accountants and controllers of the production organisation.

\textsuperscript{11} Based on the interviews with the accountants and controllers of the production organisation.
Probably the highlighted financial information will be quickly read, because it is actively sent to the people.'

Only accountant 2 expects that using social media to highlight information out of the annual report will not be received positively by its stakeholders, since they have no interest in this information therefore they do not understand it. This outcome is in line with the legitimacy theory, which claims that if people do not understand the information, the legitimacy does not work. However, this statement is in contrast with the previously mentioned research of Moser and Martin (2012), which suggested that the society expects transparency about activities from the companies. Additionally, Deegan et al. (2000) and O’Donovan (2002) implied that by means of transparency stakeholders are more involved in the company, which will lead to better legitimacy. This statement indicates that social media is valuable for the stakeholders of the company to increase legitimacy, as companies expect that communication via social media will be positively received by its stakeholders. In addition, it is expected that this way of communication will be read more often than the traditional way, the annual report.

Three out of the four interviewees prefer an overview with a balance sheet and a profit and loss statement.

Controller 2: ‘I will share two little figures: the balance sheet and the profit and loss statement. [...] The main goal is to give accountability to the members of the cooperation.’

Accountant 2: ‘In a simplified overview, the following information should be shared: assets, debts and the results. [...] The concept of a profit and loss account and a balance is centuries old and probably will always remain so. [...]’

The above cited statements are in line with the previously mentioned research from Wigham and Beagrie (2003) and Gothi and Bhojwani (2015), which claimed that these two elements (the balance sheet and the profit and loss statement) are the most important features within the annual report. With this information the current situation of a company can be estimated the best. Furthermore, this information can be published by companies via social media, and is the most successful way to legitimate themselves to the society. Through this way of legitimacy the power of the company is justified, which can be explained as the existence of the companies and corresponding rights and obligations are accepted by the stakeholders. Publishing information out of the annual reports will increase the trust of the public and financiers within the company. As a result of this legitimacy stakeholders can make well considered decisions.
4.2 Governmental organisations

4.2.1 Use of social media

Both organisations use social media in order to provide information to the stakeholders of the governmental organisation.

Controller 3: ‘We use four social media mediums: Facebook, Twitter, LinkedIn and Youtube. [...] The role of these mediums is to disseminate information to the interested party of this province. [...]’

Controller 4: ‘We use Facebook, currently we own multiple accounts, Instagram (for one specific project: Creative People Park), Youtube and Twitter. LinkedIn is used by the employees privately, but is sometimes also used for a project. We use social media as a communication channel: to inform residents and to ask questions to residents. Also via private messages (chat function). We want to be where our residents are, so that they can also be observed and accessed online.’

Previously mentioned research from Zhang (2015) and Martin, Parry and Flowers (2015) stated that social media is a fast communication channel which is very suitable for information spreading. Moreover, Bonsón et al. (2012) mentioned that governmental organisations are familiar with the use of social media. This statement indicates that governmental organisations are already well developed when it comes to social media. Moreover, the statement implies that social media is already used by governmental organisations to legitimate themselves to the society. This result could be justified by the fact that lot of citizens of provinces and municipalities are using social media already. The target group of governmental organisations consists of young and old people, which both can be approached via social media (Poba-Nzaou et al., 2016). In addition, social media is a suitable communication channel for organisations because the target groups can be specified and categorized, for example per living place (Arnaboldi, Busco, Cuganesan, 2017). These categories make it possible for organisations to legitimize themselves specifically. The main goal of the legitimacy is credibility, the governmental organisations will prevent questions about the functioning of their organisations.

Both organisations have the intention to inform the stakeholders about developments in their neighbourhood and the governmental organisations want to facilitate their services by using this communication channel. Moreover, the governmental organisations want to involve their citizens. Research of Draskovic, Körper and Kilian-Yasin (2017) indicated that social
media is a very accessible communication channel, which makes it attractive for governmental organisations to use in order to provide information to their citizens. Especially for these organisations social media has a lot of benefits.

Controller 3: ‘The advantages we experience from social media are mainly the rapid dissemination of information that reaches a large group of people. The medium is nice medium to inform citizens. I think it is indispensable in the communication towards the citizens. [...]’

Controller 4: ‘We have been using Facebook only for a short period of time, so we do not have a lot of followers yet (523). On Twitter, we have more than ten thousand followers. [...] We notice that some people prefer sending messages via social media more than calling us when they have a question. Making service accessible. These are the biggest benefits we experience from using social media.’

The above mentioned advantages of social media are in line with the previously discussed research from Poba-Nzaou et al. (2016). The accountants indicated that it is beneficial for them that information can be spread fast and received by a lot of people. According to Zhang (2015) interaction with stakeholders can be very useful to an organisation. In addition, the research of Medaglia and Zhu (2017) stated that interactive communications lead to more understanding between the governmental organisation and their citizens, which increases legitimacy. Organisation 4 uses social media already, which indicates that governmental organisations recognise and utilize the benefits of social media. This result can be explained by the fact that social media is low threshold, accessible, fast and it has a wide reach, which makes it an indispensable communication channel for governmental originations (Gerrard, 2017; Rokka, Karlsson and Tienari, 2014; Zhang, 2015; Martin, Parry and Flowers, 2015; Bonsón et al., 2012). Altogether it can be said that social media is a communication channel which is used by companies to legitimate themselves to the society.

The accountants also use their social network to inform governmental organisations about the latest relevant developments.

Accountant 4: ‘I have been asked to post information online about the public sector (especially for municipalities) on behalf of the accountancy firm. [...] I think social media is a helpful platform to distribute information, especially LinkedIn is suitable for this, many employees and customers are actively participating.’

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12 Based on the interviews with the accountants of the governmental organisations.
This quote indicates that communication exists between the accountants and controllers via social media. As stated by Harriman (2012) social media is a useful platform for financial advisers and their clients to maintain contact. The same applies to accountancy offices, accountant 4 was recently asked to actively start using social media. Nowadays the governmental organisations are more informed by their accountant via social media. This indicates that social media is becoming a regularly used communication channel for accountants and controllers.

4.2.2 Strategy social media

Organisation 3 uses a specified strategy for using social media, while organisation 4 works based on what works and has no specific strategy.

Controller 3: ‘The strategy behind the use of social media is to inform stakeholders. It is important for our organisation to disseminate information quickly and accurately. [...] We will probably also make more use of the facilities offered by social media. [...] I also noticed that more and more people are using social media, which makes it a more important communication channel for us.’

Controller 4: ‘We have not drawn up a strategy for the use of social media. However, we have made overarching agreements about social media. Nevertheless, it does not specify which social media platforms we are going to use and how. We have started a kind of pilot. We experiment what works and what does not work and afterwards we adjust. So far this ‘strategy’ works well.’

According to Vakeel and Panigrahi (2018) governmental organisations whom use social media to spread information are more connected to their citizens in terms of relative distance. In addition to this research, Wukich and Mergel (2016) and Picazo-Vela, Fernandez-Haddad and Luna-Reyes (2016) confirmed that social media is used by governmental organisations primarily to educate and to inform their citizens. Remarkable is that both organisations use social media in a different way. Organisation 3 follows a specified strategy, whereas organisation 4 uses social media based on what works practically. Both approaches are successful, because both organisations achieve a lot of benefits by using social media. This outcome indicates that citizens value the usage of social media by governmental organisations, as they prefer this way of communication and legitimacy. Considering that social media is accessible for the citizens, it will lead to legitimacy.
Both organisations consist of a communication department, in which social media posts are written and replied to\textsuperscript{13}. The organisations consist of this particular department because they have the necessary knowledge about how to handle these messages. Research of Kiesenbauer and Zerfass (2015) stated that the understanding and knowledge from people who control the communication via social media is crucial for its success and the acceptance from the stakeholders. This ideology is also in line with the legitimacy theory, which claims that communication is the key to good legitimacy. It can be said that social media is a very important communication channel for governmental organisations and that is why they are organised very well, which lead to good legitimacy.

4.2.3 Opportunities to use social media to highlighting information from the annual report

The above mentioned paragraphs discussed that both governmental organisations use social media to distribute information and to provide service. The province and municipality use multiple social media accounts. The biggest benefits derived from using social media are the speed, the wide extent of information and the possibility it provides governmental organisations to make the offered service low threshold and accessible. Additionally, the controllers and accountants of governmental organisations use social media as a communication channel to inform each other. Remarkable is that both organisations have different social media strategies. Organisation 3 has developed a good and detailed strategy, while organisation 4 experiments and tests what is working and what does not. Both organisations consist of a communication department which is responsible for social media, since it is a very important communication channel for governmental organisations in particular. Thus, social media is a very important medium to governmental organisations to legitimate themselves to the society. Moreover, it gives accountability to the citizens of the province and municipality. Social media could be a very suitable medium for the distribution of information out of the annual report for governmental organisations in order to become more legitimate towards the society.

The accountants and controllers perceived value when using social media to highlight information out of the annual report\textsuperscript{14}.

Controller 3: ‘It would certainly be an opportunity for us because currently the annual reports are hardly read. This would be an opportunity for the annual reports to be read more. In addition, it offers opportunities to inform citizens better about financial data of this

\textsuperscript{13} Based on the interviews with the accountants of the governmental organisations.

\textsuperscript{14} Based on the interviews with the accountants of the governmental organisations.
organisation, hopefully this will lead to more understanding for each other. By sharing financial information, this organisation can become more accountable to the society. [...]’

Controller 4: ‘Currently we already share a budget infographic via social media, we do this because as a municipality we like to tell what we do with the received money, since municipal finances are rather complicated for many residents. [...] With this overview, we tend to give residents a little more insight into finances in a simplistic way. In this case it concerned the budget. It is our intention to show the difference between next year’s figures in comparison to the new figures.’

Accountant 4: ‘[...], but for governmental organisations using social media for highlighting information out of the annual report has value. Last week I read a message from a municipality on social media, on LinkedIn, with a budget. It was an overview with the income and expenses of the municipality. [...] This could be an example for the annual reports as well. In addition, I noticed that this was liked by a large number of people, I also appreciated this message. In addition, it seems interesting for the citizens, because the municipal account (180 pages) will not be read quickly by the citizens. This is a clear way to provide information to their citizens. When looking at governmental organisations, [...].’

Controller 3 suggested that it can lead to a better understanding between the governmental organisations and their citizens. This outcome is in line Medaglia and Zhu (2017), which mentioned that the more open and interactive communication is, the better people understand each other. This concept is in line with the legitimacy theory; if people understand the information, the legitimacy works well (Suchman, 1995). Accountant 3 stated that it is easier to read for citizens, since the annual reports consist of 180 pages and by means of social media the information can presented in a clear way. This is in line with Ruchti and Wasserman (1983) and Chesnick (2003) which mentioned that is difficult to define the main lines of annual reports. This assumption is in line with the legitimacy theory, if people understand the information the legitimacy works well. Currently, organisation 4 already uses social media for the distribution of the budget, because it provides the municipality accountability as they present it in a simple overview to their citizens. Therefore the municipality will legitimate themselves to the society. This outcome is in line with the previously discussed research by O’Donovan (2002) and Gothi and Bhojwani (2015). According to accountant 4 social media is a very suitable medium to send information to your target group, which is agreed by Stern and Ibarra (2011). The above mentioned findings
indicate that there are lot of reasons why social media is a suitable communication channel to highlight financial information to the society in order to provide legitimacy. Notable is that the accountants and controllers did not mention any disadvantages of using social media to highlight information from the annual report. Organisation 4 already uses social media to distribute budgets and they also want to use social media for highlighting information out of the annual report. Governmental organisations value the use of social media to provide legitimacy to the society, because they want to inform their citizens about what they are doing. If organizations communicate properly to their residents, they will derive their right to exist.

All accountants and controllers believe that Facebook is a suitable medium for governmental organisations, as most citizens are members of Facebook and can be reached by this medium.

Controller 3: 'My preferred medium is Facebook because it is likely that most citizens can be reached.'

Controller 4: 'We share the infographic via Facebook and LinkedIn. We just started with the use of social media for the distribution of this information.'

Facebook is favoured because it is a low threshold medium for the communication between citizens and governmental organisations. This result is in line with the legitimacy theory, which indicates that the key to good legitimacy is communication with the stakeholders. Overall it can be concluded that Facebook is a suitable medium is good communication channel to achieve stakeholders.

Three out of the four interviewees agreed on the aspect that accountants must check the overview and give their approval, because citizens assume that this information is correct.

Controller 3: ‘I would certainly find it desirable that the auditors check these schemes. Of course, it is important to share reliable information and to justify to the citizens that the information is reliable.[...]' 

Accountant 4: ‘An accountant conducts an annual audit. If the client prepares a publication in addition to the annual report, the accountant establishes if the publication document corresponds to the annual report. The annual report is already been audited and that why it is not require a new audit / assignment. This could also be a method for information that a customer wants to publish on social media.’
The approval of the published financial information on social could follow the same procedure as the publication process of articles. The expectation with regard to the reliability of the financial numbers is in line with the research of Wallage (2005), which indicated that highlighted information derived from the annual report is valuable when it is checked by an accountant. This checking procedure could follow the same method as press releases. This outcome is in line with the legitimacy theory because companies meet the expectations of the stakeholders that the information is checked. By checking the information, the company creates trust amongst its stakeholders.

The accountants and controllers expect that this development will be received positively, since it helps governmental organisations to involve their citizens. All interviewees expect that the framework will be read more often than the annual report.

_Controller 4:_ ‘We have received many positive responses to the budget infographic. Both from the city council and the board, along with residents and employees from their own and other municipalities. I certainly expect that this infographic will be read / viewed more frequent than the annual report.’

_Accountant 4:_ I expect this development to be received as transparent and approachable. In short, I expect this development to be received positively. In addition, I expect the overview to be read more frequent than the annual reports. This also means that a wider audience is reached, via social media it happens by chance, an annual report is never read accidentally. This would be achieved within five years, it will not function as a replacement of the annual reports, but as an addition to highlight information.

The above mentioned quotes implied that the use of social media is valuable for the stakeholders. As a result of that companies can legitimate themselves better to the society by using social media. Deegan et al. (2000) and O'Donovan (2002) stated that by means of transparency stakeholders are more involved with the company, which will narrow the distance between the organizations and their citizens. This is in line with the legitimacy theory, which claim that a smaller distance between citizens and government will lead to more understanding of each order. Social media is valuable for the stakeholders of the company when increasing legitimacy, since companies expect that this way of communication will be positively received by their stakeholders. It is expected that this way of communication will be read more often than the official way, the annual report.
All accountants and controllers indicated that the budget and the actual realization are most desirable, because it is related the most to the citizens.

Controller 3: ‘The information which is most suitable to share is information about the income and the expenses of the provinces, because it is the most relevant information to the citizens and connects the most to them.’

Accountant 4: ‘For municipalities, it would be desirable to share the income costs versus the realization. According to the auditor it is desirable for citizens to know what is going when looking at education, health care and so on. [...]’

Research of Mitchell and Thurmaier (2016) stated that budgets are one of the most important elements of the functioning of the governmental organisations. This statement clarifies why governmental organisations want to share this information, because it reflects their functioning. From the budgets it can be derived what the organisation wants to do and which elements are important. Budgets are qualified to be the most relevant information for organisations, which will increase the legitimacy (Suchman, 1995). Through this way of legitimacy, the company can derive its right of existence. This because they tell to the citizens what they are doing and this will lead to more understanding en loyalty.

4.3 Overall results

First of all, governmental organisations use social media more often as a communication channel than production organisations. Governmental organisations use social media more for different purposes than production organisations. Moreover, the governmental organisations take more advantage from the benefits of social media. Secondly, both production companies and governmental organisations recognise changes in the use of social media for highlighting information out of the annual report. Therefore, social media is valuable for highlighting information out of the annual report. The third main result which can be concluded is that production organisations notice more hazards when using social media. They are more afraid of the risk of reputation damage caused by social media as a communication channel. The fourth result that can be derived is that governmental organisations presently share a framework with their financial numbers. The governmental organizations distribute information in this way because it already functions this way and for them it is more important to give legitimacy to the society. Moreover, governmental organisations want to inform their citizens about where they spend public money on, as well as they want to involve the citizens to their organisations. The fifth main result that can be concluded is that LinkedIn is a suitable
medium for production organisations whereas Facebook is more suitable for governmental organisations. For production organisations it is important to share their results via a professional page, while for governmental organisations it is vital that most of the citizens read the highlighted financial information. The sixth main result which can be stated is that production organisations want to share a balance sheet and a profit and loss statement, whereas governmental organisations want to share their budget and realisation. This difference can be explained by the fact that to governmental organisations the budget and realisation are relevant because it reflects their policy. For production organisations the profit and loss statement and the balance sheet are important because it reflects their performance. The seventh main result which can be concluded is that accountants must check the framework on social media and approve it according to their information, because the readers assume that the provided information is reliable and complete. The eighth main result is that 7 out of the 8 interviewees believe that the development of sharing highlighted information from the annual report on social media will be received positively by stakeholders. They expect that the stakeholders prefer this way of communication and legitimacy. Lastly, all interviewees expect that the given framework will be read more often than the annual report. It is suggested that it could solve the problem that annual reports are not read.
5. Conclusion and discussion

5.1 Conclusion

The following research question was defined in this paper: ‘What is the perceived value of social media for firms for highlighting information from the annual reports?’ This research question was answered in order to provide information about the current use of social media, the social media strategy. Moreover, this paper analysed the changes of using social media for highlighting information out of the annual report. Fundamental in this research are production organisations and governmental organisations. Results indicated that accountants and controllers value the use of social media for highlighting information out of the annual report. Seven out of the eight interviewees expect that this information will be received positively by their stakeholders. In addition, they predict that it will become a preferred way of communication and legitimacy. All interviewees believe that the distribution of highlighted information via social media will be read more frequent than the annual report. These outcomes are relevant, as currently annual reports are inaccessible due to their extensive character. Furthermore, it is difficult for users to define the main lines of the annual report, which results in the fact that annual reports are not often read. By using the modern technology communication channel, called social media, it is possible to increase the accessibility of the annual reports when using highlighted information. Social media could be a solution to the issue that annual reports are not read often and it creates the opportunity for companies to legitimate themselves to the society. Besides this, research implied that governmental organisations use social media more often than production organisations. This dissimilarity can be explained by the fact that production organisations observe more hazards when using social media as a communication channel. Another outcome of this research is that production organisations prefer LinkedIn as a medium, where they want to share a balance sheet and profit and loss statement. On the contrary, governmental organisations prefer Facebook and want to share their budget and realisation via social media.

5.2 Practical implications

The results of this research indicate that highlighting information out of the annual report on social media will expand their legitimacy. This discovery could be relevant for companies who want to increase their legitimacy. For production organisations who want to use social media in order to involve their stakeholders, it is desirable to publish a balance sheet and a profit and loss statement on LinkedIn. For governmental organisations it is beneficial to publish a budget versus realization on Facebook, in order to provide more accountability to
their citizens. Research suggests that companies require an accountant to check published information on social media. Results of this study confirmed that important information out of the annual reports will be read more frequent, because it is highlighted on social media. This outcome is a solution to the problem that annual reports are not read often.

5.3 Theoretical implications
This research is in line with research of Manetti and Bellucci (2016), Bonsón, Torres, Royo, and Flores (2012), Rivera-Arrubla and Zorio-Grima (2016) and Abitbol and Lee (2017) which argued that the communication channel social media is valuable to inform stakeholders. Moreover, this study has presented the need for further theory development when looking at the use of social media as a legitimacy medium. Results have indicated that companies want to publish highlights out of their annual report on social media in order to obtain legitimacy.

5.4 Limitations
When looking at the limitations which the study faced, several factors might have influenced the outcomes of the research. Firstly, when considering the point of view from accountants, questions were only answered by employees from two accountancy offices. For future research it could be desirable that the employees work for different accountancy firms, which makes the research more generalizable. Another limitation of this research is that sample is not very big, which makes it not generalizable. To make the research more generalizable it is important to have a bigger sample. Lastly, it could be possible that the participants have been affected by the interviewer. This limitation could be prevented by performing a case study, in which the interviewer is less involved in the conversation.

5.5 Further research areas
Further research it is suggested to analyse quantitative research and to investigate how many companies use social media for highlighting information out of their annual report. Another recommendation for future research could be to examine which aspects have an influence on the use of social media for highlighting information out of the annual report. Another suggestion for further research could be to investigate how governments should draw rules and regulations concerning highlighting information out of the annual report. Also, it should be researched what the role of an accountancy office could be, including any rules and regulations for it. Furthermore, it is recommended to explore whether analysts can make a better forecast using social media with the highlighting information out of the annual report, in order to disclose the information better. This research could also be carried out by other types of organisations, for example retailers and services companies.
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Appendices

Appendix 1: Compiling the interview guide

The aim of this appendix is to link the presented theory to the interview questions. The introduction of the interview was based on theory suggested by King, Cassel and Symon (1994). The interview started with several relatively simple questions, in order to make the participants feel at ease (King, Cassel and Symon, 1994). The interviewer explained the aims of the interview and the purpose of the research. Furthermore, the interviewees were informed with the duration of the interviews, the opportunity of providing feedback to the interviewer and the benefits of participating in this research.

The first question was considered as a descriptive question, in which the interviewee had to share some personal information. The aim of the introduction and the first interview question was to introduce the interviewee to the interviewer. If they know each other better, a more comfortable setting is created during the interview (King, Cassel and Symon, 1994).

Question numbers two until five were questions about the actual usage of social media and their experiences. The content of these questions is in line with the theory relevant to the use of social media about goals where companies can use social media for. The stated headline after this question analysed for what reason the company uses social media in combination with their experiences.

Question numbers six until ten were questions about their strategy, after they started using social media. The content of this question is in line with the theory regarding the strategy of social media, in which it is analysed how the companies regulate the use of social media and to what extent stakeholders and colleagues have an influence on the use of social media. The aim of these questions was to examine the strategies and the future prospects for the use of social media.

Question numbers eleven until fifteen were questions about the opportunities for the use of social media for highlighting information out of the annual report. These questions provided answers to the main research question of this paper: do accountants and controllers value the use of social media for highlighting information out of the annual report. These questions were related to the reactions towards this development, how this development should be addressed and which information will be shared on social media. At the end of the interview there was the possibility to provide feedback or remarks about the interview.
Appendix 2: Interview guide controller

Dear .....,

First, thank you that you are willing to work with this interview. My name is Iris Jonker and I'm currently following the Master's degree in Accountancy and the Master's degree in Controlling at the University of Groningen.

This interview is part of my combined-master thesis in which I research the possibilities of using social media for highlight information out of the annual report. I do this from two perspectives: the perspective of the accountant and the perspective of an controller. Previous literature show us that readers of annual report can hardly define the main lines of the annual report. This has a result that annual reports are not read a lot.

I would like to ask you questions about: the current use of social media by the company, the company's strategy and rules by the use of social media, and opportunities you see for using social media to highlighting information out of the annual report. The interview will take about half an hour and consist out of fifteen open-questions. The information that you give be treated confidentially. For example, your name, the organisation's name, will not be mentioned in the final report. The interview will be sent to you to prevent misinterpretations, I will do this within two weeks. If you have corrections, you can send that to me. Is that agree for you?

I can send my final report to you, do you want that? This will be in the beginning of February. In order to process all the information of the interview correctly, I would like to record the interview, do you agree?

Do you have questions before the interview?
Use of social media
1. Could you please tell me something about yourself. What is your role and responsibility in the organisation? How long do you fulfil this role?

2. What is the role of social media in your organisation? Which mediums use the company?

3. Where does the company use social media for? What is the purpose of the use of social media?

4. What is your experience with the use of social media for the company?

5. How do you perceive the benefits of social media in the company? How many people are weekly achieved through the use of social media? Is there information about this available?

Strategy of social media
1. Has the company drawn up a strategy for using social media? If so, what is the strategy? If not, what kind of strategy would you like?

2. Are there any rules for the use of social media by the company? What can be posted, what cannot be posted?

3. How do you see the use of social media in five years? In ten years?

4. To what extend does the company involve your employees / colleagues in the use of social media?

5. To what extent does the company involve stakeholders (stakeholders, regulators, investors) in the use of social media?

Opportunities to use social media to highlighting information from the annual reports
1. To what extent do you see opportunities for using social media to highlight information from the annual reports?

2. How does that looks like? How would your company presents themselves in social media? / Why should this not be possible? Which medium of social media do your prefer for this development?

3. How would your company address this development? What should be the role of accountant for your business after this development? Is it desirable for you that the accountant companies also scare highlighting information out of the annual report on social media? How would the IT department / controlling department respond to this? How will this departments change?

4. Which kind of role do you play in the use of social media for highlighting information out of the annual report? Should your function/ role change? Which information out of the annual report do you prefer to share on social media?

5. How do you expect that this development will be received by the stakeholders? Do you think that the highlighting information over social media is read better than normally (the standard annual report)?
Thank you for answering my questions. Do you have questions after this interview? Do you want to say something about issues of problems that I had missed in the interview? If you have question later, you can contact me.

Thank you for your time and effort to answer my questions for this research. I like to hear your opinion about the opportunities for using social media for highlighting information out of the annual report.

I will send the elaborated interview in two weeks to you. If you have comments, you can send that to me. If I resulting questions for you can I contact you by e-mail or phone? If the answer is yes, which one do you prefer?

Thank you for your contribution for this research.
Appendix 3: Interview guide accountant

Dear......,

First, thank you that you are willing to work with this interview. My name is Iris Jonker and I'm currently following the Master's degree in Accountancy and the Master's degree in Controlling at the University of Groningen.

This interview is part of my combined-master thesis in which I research the possibilities of using social media for highlight information out of the annual report. I do this from two perspectives: the perspective of the accountant and the perspective of an controller. Previous literature show us that readers of annual report can hardly define the main lines of the annual report. This has a result that annual reports are not read a lot.

I would like to ask you questions about: the current use of social media by the company, the company's strategy and rules by the use of social media, and opportunities you see for using social media to highlighting information out of the annual report. The interview will take about half an hour and consist out of fifteen open-questions. The information that you give be treated confidentially. For example, your name, the organisation's name, will not be mentioned in the final report. The interview will be sent to you to prevent misinterpretations, I will do this within two weeks. If you have corrections, you can send that to me. Is that agree for you?

I can send my final report to you, do you want that? This will be in the beginning of February. In order to process all the information of the interview correctly, I would like to record the interview, do you agree?

Do you have questions before the interview?
Use of social media
1. Could you please tell me something about yourself. What is your role and responsibility in the organisation? How long do you fulfil this role?

2. What is the role of social media in your organisation? Which mediums use the company?

3. Where does the accountancy company use social media for? What is the purpose of the use of social media?

4. What is your experience with the use of social media for the accountancy company?

5. How do you perceive the benefits of social media in the company? How many people are weekly achieved through the use of social media? Is there information about this available?

Strategy of social media
1. Has the accountancy company drawn up a strategy for using social media? If so, what is the strategy? If not, what kind of strategy would you like?

2. Are there any rules for the use of social media by the company? What can be posted, what cannot be posted?

3. How do you see the use of social media in five years? In ten years?

4. To what extend does the company involve your employees / colleagues in the use of social media?

5. To what extent does the company involve stakeholders (stakeholders, regulators, investors) in the use of social media?

Opportunities to use social media to highlighting information from the annual reports
1. To what extent do you see opportunities for using social media to highlight information from the annual reports of clients?

2. How does that looks like? / Why should this not be possible? What should be the role of an accountancy company? Which medium of social media do your prefer for this development?

3. How would your company address this development? To what extent would your companies social media network be used to spread of information about the client’s annual reports? Would this be desirable?

4. Which kind of role do you play in the use of social media for highlighting information out of the annual report? Should your function/ role change? Which information out of the annual report do you prefer to share on social media?

5. How do you expect that this development will be received by the stakeholders? Do you think that the highlighting information over social media is read better than normally (the standard annual report)?
Thank you for answering my questions. Do you have questions after this interview? Do you want to say something about issues of problems that I had missed in the interview? If you have question later, you can contact me.

Thank you for your time and effort to answer my questions for this research. I like to hear your opinion about the opportunities for using social media for highlighting information out of the annual report.

I will send the elaborated interview in two weeks to you. If you have comments, you can send that to me. If I resulting questions for you can I contact you by e-mail or phone? If the answer is yes, which one do you prefer?

Thank you for your contribution for this research.