



**WELCOME TO LEUPHANA UNIVERSITY
LUENEBURG!**

**MASTER MANAGEMENT &
SUSTAINABLE ACCOUNTING AND FINANCE**

Prof. Dr. Patrick Velte



Agenda



1. Why is the Master attractive for you?
2. The Master in more detail
3. Taste of science: Research on integrated reporting quality
4. Double degree and study abroad
5. Your application
6. Contacts

1. Why is the Master attractive for you?

- **Leuphana University Lüneburg (North of Germany, near Hamburg)**
- Some rankings:
- Times Higher Education Ranking 2022: Top 351-400 world wide; Top 35 (of German universities)
- Shanghai Ranking 2022: Top 13 (of German universities)
- UI GreenMetric Ranking 2022: Top 18 World's Most Sustainable Universities
- „Wirtschaftswoche“ magazine 2022: Top 19 of German, Austrian and Swiss universities



1. Why is the Master attractive for you?



PRiME

*an initiative of the
United Nations Global Compact*

Our goal: Responsible management education

- **Principle 1 | Purpose**
- We will develop the capabilities of students to be **future generators of sustainable value for business and society** at large and to work for an inclusive and sustainable global economy.
- **Principle 2 | Values**
- We will incorporate into our academic activities, curricula, and organisational practices the **values of global social responsibility** as portrayed in international initiatives such as the United Nations Global Compact.
- **Principle 3 | Method**
- We will create educational frameworks, materials, processes and environments that enable **effective learning experiences** for responsible leadership.
- **Principle 4 | Research**
- We will engage in conceptual and empirical **research** that advances our understanding about the role, dynamics, and impact of corporations in the creation of sustainable social, environmental and economic value.
- **Principle 5 | Partnership**
- We will interact with **managers of business corporations** to extend our knowledge of their challenges in meeting social and environmental responsibilities and to explore jointly effective approaches to meeting these challenges.
- **Principle 6 | Dialogue**
- We will facilitate and support **dialog and debate** among educators, students, business, government, consumers, media, civil society organisations and other interested groups and stakeholders on critical issues related to global social responsibility and sustainability

1. Why is the Master attractive for you?

Our goal: Responsible management education



Recognition of PRME should lead to inclusion of UN SDG (!) by firms



1. Why is the Master attractive for you?

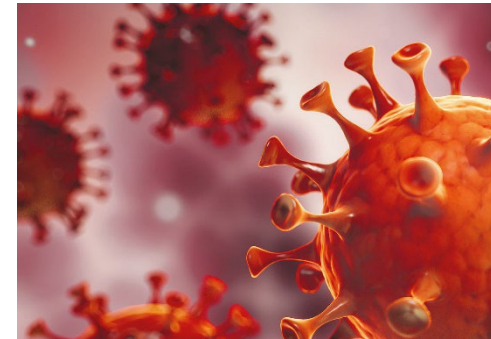
Our goal: Responsible management education



Firm scandals



Fridays for Future



Corona

Sustainable Accounting & Finance



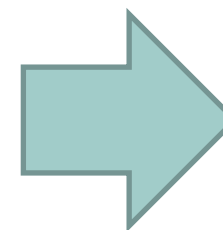
Gender Shift



Green Finance



Climate Governance



**Responsible
(Sustainable)
Management
Education**





1. Why is the Master attractive for you?

Are shareholder value and pure financial profit maximization still valid for management education? NO!

We see the urgent need for the adoption of sustainable corporate purpose in line with stakeholder interests (e.g., employees, customers, suppliers, NGOs)



1. Why is the Master attractive for you?

Three electives for individual profile

Six core moduls in Sustainable Accounting and Finance

Sustainability, Entrepreneurship, Digitilization

Research-oriented (both for PhD and business careers)

Three management studies and three complementary studies

Study abroad in the third semester; double degree

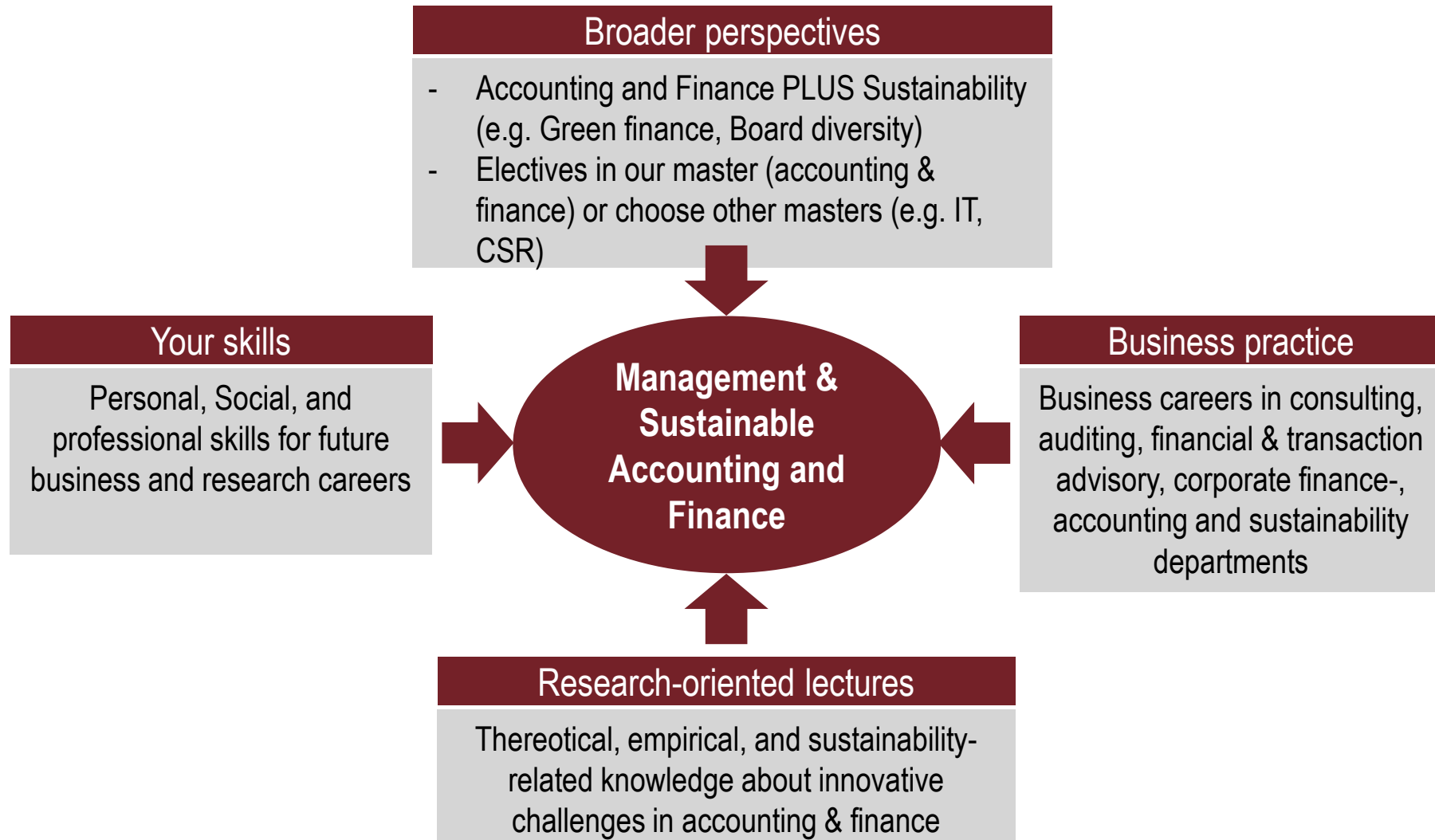
30 students (interactive seminar atmosphere)

Sustainability + Business Economics (future oriented)

English study program



1. Why is the Master attractive for you?





1. Why is the Master attractive for you?

Doctoral Track: Master PLUS Phd



- You can start during your master studies with your Phd
- Perfect possibility to prepare your Phd topic during your master studies and pass your moduls of the phd studies during the master studies
- **Requirements:** Bachelor grade (or equivalent) „very good“ (at least 1.5 or best 10% of a yeargroup)
- Admission to a master program at Leuphana Graduate School and matriculation
- **Proposal (5 pages as maximum)** of your PhD project
- Statement of your supervisor
- Please follow: <https://www.leuphana.de/en/graduate-school/master/course-offerings/doctoral-track.html>



1. Why is the Master attractive for you?

- **Unique program in Europe (combination of management, sustainability, accounting and finance)**
 - 6 core moduls on sustainability, accounting and finance
 - 3 **research studies** (quantitative, qualitative, and research project)
 - 3 **management studies** (organization, strategy, and innovation, digitalization, and entrepreneurship)
 - 3 **complementary studies** (experience from other sciences)
 - 3 **electives** (choose accounting/finance or topics from other master programs, e.g., Entrepreneurship or Sustainability Management)
 - Doctoral track
 - The **best three master theses** will be yearly honored



1. Why is the Master attractive for you?

- Some of our partners from consulting practice, e.g. Guest lectures, workshops, PhD support:

- „Big Four“:



- Small and medium-sized firms:





2. The Master in more detail

Management Studies

Entrepreneurial Project
3rd term

Digitalization
2nd term

Organization, Strategy and Innovation
1st term



In this module, students apply in interdisciplinary teams theoretical and methodological knowledge to a practical case



Foundations, actors, and applications of digitalization: scope and general framework from the point of view of the different disciplines in Management



Organizational design and selected organizational theories; theories and methods of strategic management; actors, structures and processes of innovation; theoretical approaches

2. The Master in more detail



Semester

4	Master's forum	Master Thesis				
3	Entrepreneurial project	Research project	Behavioral & Sustainable Finance	Elective	Elective	Connecting Science, Responsibility and Society
2	Digitalization	Quantitative Research Methods	Sustainable Corporate Governance & Audit	Valuation & Value Based Management	Elective	Reflecting Research Methods
1	Organization, Strategy and Innovation	Qualitative Research Methods	(Non) Financial Reporting	Corporate Finance	Sustainable Management Control	Engaging with Knowledge and Sciences
	Management track	Research method track	Core Modules	Core Modules	Core Modules	Complementary studies

3. TASTE OF SCIENCE: RESEARCH ON INTEGRATED REPORTING QUALITY


LEUPHANA
UNIVERSITÄT LÜNEBURG


Received: 9 October 2018

Revised: 19 December 2018


Accepted: 11 January 2019

DOI: 10.1002/bse.2278

RESEARCH ARTICLE

WILEY 

Determinants of materiality disclosure quality in integrated reporting: Empirical evidence from an international setting

Jannik Gerwanski*  | Othar Kordsachia*  | Patrick Velte 

Institute of Finance and Accounting, Division
Accounting and Auditing, Leuphana University
Lüneburg, Lüneburg, Germany

Correspondence

Jannik Gerwanski, Leuphana University
Lüneburg, Institute of Finance and Accounting,
Division Accounting and Auditing,
Universitätsallee 1, 21335 Lüneburg,
Germany.
Email: jannik.gerwanski@leuphana.de

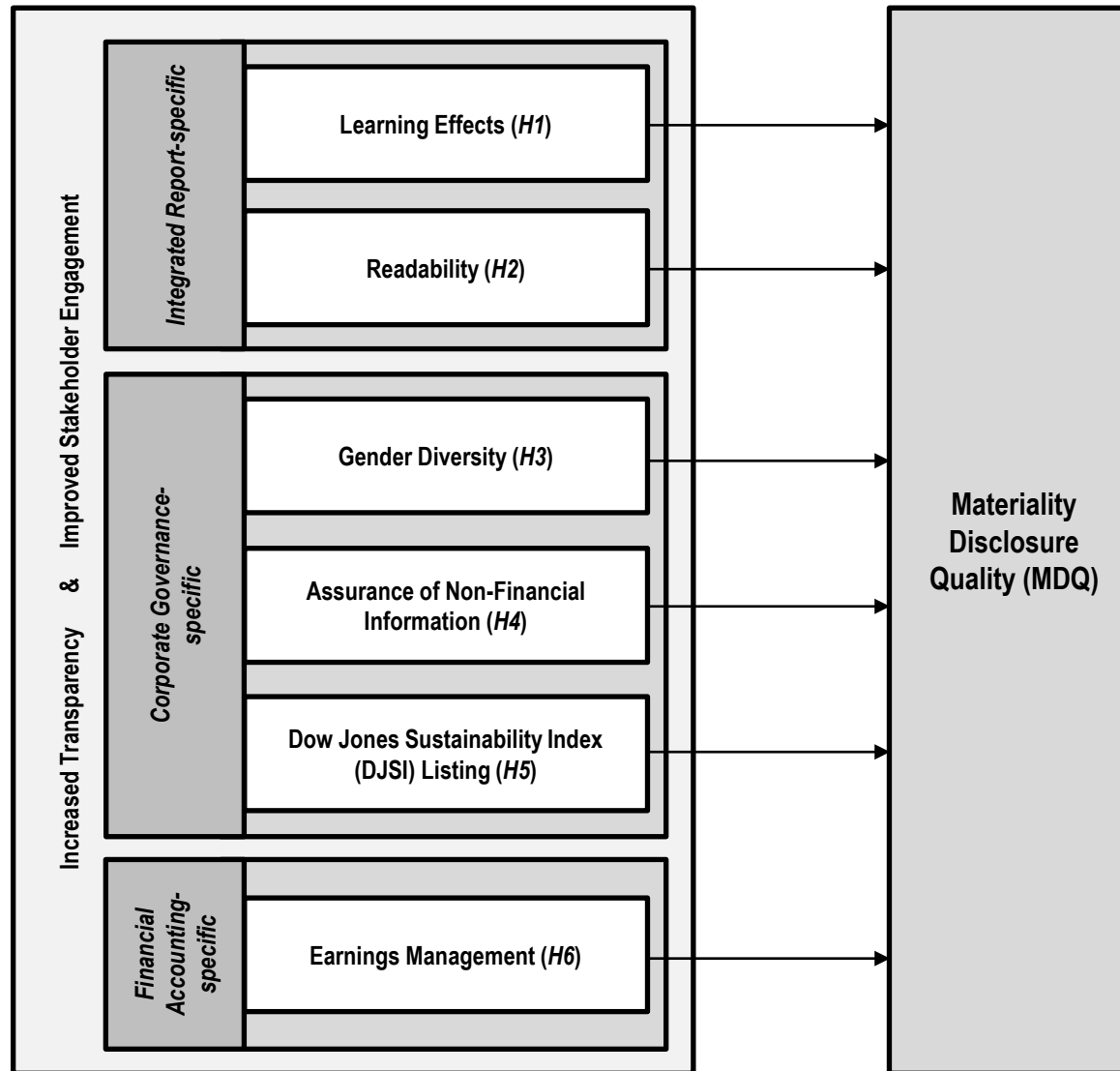
Abstract

This study examines determinants of materiality disclosure quality (MDQ) in integrated reporting (IR) in an international setting. To this purpose, we constructed a novel, hand-collected MDQ score in line with the <IR> guiding principles introduced by the International Integrated Reporting Council. On the basis of a cross-national sample consisting of 359 firm-year observations between 2013 and 2016, we find that MDQ is positively associated with learning effects, gender diversity, and the assurance of nonfinancial information in the integrated report. On the other hand, we find that IR readability, listing in the Dow Jones Sustainability Index, and earnings management do not affect MDQ. Our results are robust to different statistical models. We expand on earlier empirical findings on IR disclosure quality and provide valuable insights for research, practice, and standard setting.

3. TASTE OF SCIENCE: RESEARCH ON INTEGRATED REPORTING QUALITY

- Goal of integrated reporting: Integration of **material financial** and **nonfinancial information** in order to decrease **greenwashing and information overload** in business reporting
 - **materiality** constitutes one of the seven **core principles** of the <IR> Framework issued by the International Integrated Reporting Council (IIRC)
 - Definition of **materiality**: *“if it is of such relevance and importance that it could substantively influence the assessments of providers of financial capital with regard to the organization's ability to create value over the short, medium and long term”*
 - As the separation between material and nonmaterial matters is linked with **managerial discretion**, the reliability of integrated reports depends on **transparency** on materiality issues
 - Despite its relevance, materiality in **empirical IR research** is barely investigated
- What determines materiality in IR?

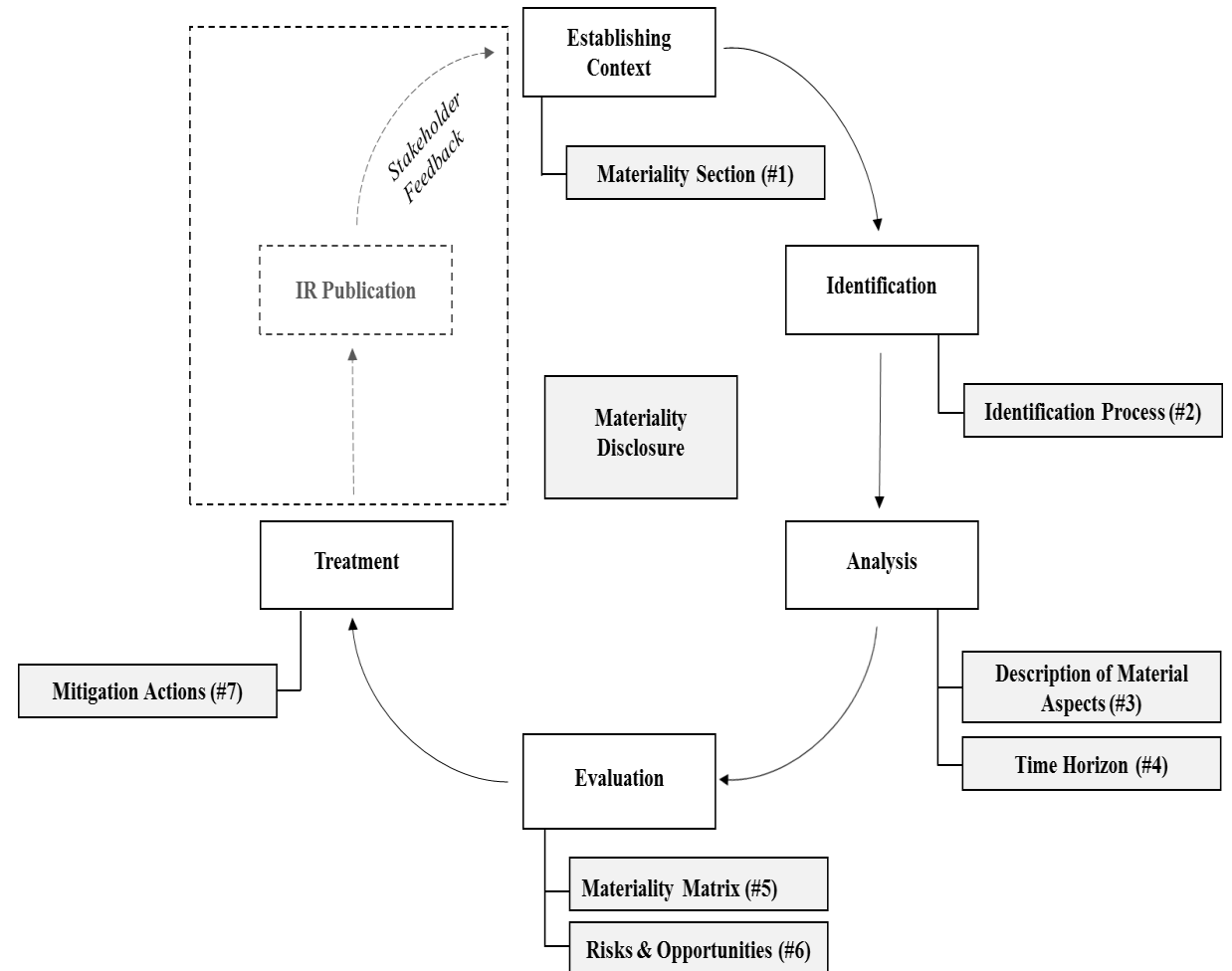
3. TASTE OF SCIENCE: RESEARCH ON INTEGRATED REPORTING QUALITY





3. TASTE OF SCIENCE: RESEARCH ON INTEGRATED REPORTING QUALITY

Item #	Scoring Element	Point range
1	Materiality Section	0-2
2	Identification Process	0-2
3	Description of Material Aspects	0-2
4	Time Horizon	0-2
5	Materiality Matrix	0-1
6	Risks and Opportunities	0-1
7	Mitigation Actions	0-2
Σ		0-12



3. TASTE OF SCIENCE: RESEARCH ON INTEGRATED REPORTING QUALITY

VARIABLES	Variable definition
<i>Dependent variable</i>	
MDQ	Materiality disclosure quality score composed of the seven scoring components: (1) materiality section, (2) identification process, (3) description of material aspects, (4) materiality matrix, (5) time horizon, (6) mitigation actions and (7) risks and opportunities
<i>Explanatory variables</i>	
LEARNING	Number of previously disclosed integrated reports in alignment with the <IR> Framework
READ	Readability of the integrated report's chairman's letter calculated as the Gunning Fog Score
GENDER_DIV	Blau index of board gender diversity
ASSURANCE	Indicator variable taking the value 1 if the non-financial information in the integrated report is assured by an independent external party, and 0 otherwise
DJSI	Indicator variable taking the value 1 if the firm is listed in the Dow Jones Sustainability Index in the corresponding year, and 0 otherwise
AACC	Absolute value of industry division and performance-adjusted abnormal accruals equal to the absolute residuals from the Kothari et al. (2005) modification of the Jones (1991) model estimated by industry-year for those industries with at least 10 observations
<i>Control variables</i>	
SHAREH_ORIENT	Indicator variable taking the value 1 if the word count of 'shareholder' in the chairman's letter exceeds the word count of 'stakeholder', and 0 otherwise
CM_MAT	Indicator variable taking the value 1 if there is a reference to the materiality concept in the chairman's letter, and 0 otherwise
SIZE	Natural logarithm of total assets
ROE	Return on equity
TOBIN'S_Q	Measure for a firm's investment growth opportunities by year-end
ESG	Equally weighted environmental, social and governance score
BOARD_SIZE	Total number of board members
FREE_FLOAT	Proportion of shares in the hands of public investors
INST_SET	Indicator variable taking the value 1 if the disclosure of an integrated report is voluntary in the corresponding setting (Europe), and 0 otherwise (South Africa)
ENV_SEN	Indicator variable taking the value 1 if the firm is operating in an environmentally sensitive industry (SIC codes: 08, 10-14, 26, 28, 33-34, 49), and 0 otherwise



3. TASTE OF SCIENCE: RESEARCH ON INTEGRATED REPORTING QUALITY

Joint analysis of European and South African firms due to:

1. Strong emphasis on non-financial reporting
2. High relevance of IR in Europe and South Africa
3. Increasingly converging regulatory requirements (*de facto* mandatory) for South African firms; EU directives (NFRD and CSRD) encourage IR in Europe
4. Similar business environments regarding country-specific determinants, such as investor protection

→ sample consists of 359 firm-year observations (117 firms) between 2013 and 2016

Panel A: Sample Selection	Firms	Firm-years
Firms listed on the IIRC Examples Database	352	1408
Double-listed firms	(11)	(44)
No Datastream coverage	(94)	(376)
Financial services firms (SIC 6000-6999)	(53)	(215)
No IIRC reference	(40)	(284)
Missing data items	(37)	(130)
Sample	117	359

Panel B: Countries

Belgium	Germany	Poland	Switzerland
Denmark	Greek	Russia	United Kingdom
Finland	Italy	Spain	
France	Netherlands	South Africa	

3. TASTE OF SCIENCE: RESEARCH ON INTEGRATED REPORTING QUALITY

- Each additional **year of reporting experience** (LEARNING) increases MDQ by about 0.37 (Model 1, 2, 5)
- Significantly positive regression coefficients for **board gender diversity** across all models (GENDER_DIV)
- The appointment of an **external assuor** leads to an increase in MDQ by 1.244 to 1.406, depending on the model specification (ASSURANCE).
- No significant results for **readability, earnings management and DJSI listing**

VARIABLES	(1)	(2)	(3)	(4)	(5)
LEARNING	0.376*** (0.110)	0.369*** (0.114)	--	--	0.377*** (0.0899)
READ	-0.0729 (0.0705)	-0.0772 (0.0730)	-0.0702 (0.0726)	-0.0927 (0.0726)	-0.0636 (0.0704)
GENDER_DIV	3.073** (1.330)	3.134** (1.361)	2.724** (1.373)	2.349* (1.331)	2.801** (1.322)
ASSURANCE	1.315*** (0.419)	1.352*** (0.432)	1.406*** (0.444)	1.244*** (0.450)	1.286*** (0.346)
DJSI	0.418 (0.849)	0.437 (0.876)	0.496 (0.875)	0.263 (0.939)	0.485 (0.475)
AACC	1.065 (1.020)	0.968 (1.036)	0.598 (1.068)	0.835 (1.046)	1.094 (1.338)
SHAREH_ORIENT	0.301 (0.190)	0.312 (0.193)	0.353* (0.194)	0.376* (0.198)	0.333 (0.245)
CM_MAT	0.607* (0.361)	0.634* (0.361)	0.654* (0.367)	0.669* (0.376)	0.651** (0.294)
SIZE	-0.337 (0.260)	-0.334 (0.260)	-0.333 (0.254)	-0.317 (0.275)	-0.318 (0.223)
ROE	0.0115* (0.00685)	0.0117* (0.00708)	0.0124* (0.00744)	0.0137* (0.00734)	0.0122* (0.00640)
TOBIN'S_Q	-0.294* (0.163)	-0.245 (0.165)	-0.228 (0.160)	-0.148 (0.164)	-0.305* (0.161)
ESG	0.000663 (0.0112)	0.00576 (0.0114)	0.00551 (0.0119)	-0.000357 (0.0120)	0.00283 (0.0116)
BOARD_SIZE	0.124 (0.0790)	0.129 (0.0796)	0.123 (0.0806)	0.0945 (0.0869)	0.128* (0.0682)
FREE_FLOAT	-0.0261*** (0.00698)	-0.0245*** (0.00706)	-0.0240*** (0.00730)	-0.0263*** (0.00728)	-0.0250*** (0.00722)
INST_SET	-0.306 (0.795)	-0.389 (0.796)	-0.587 (0.782)	--	-0.237 (0.762)
ENV_SEN	0.244 (0.552)	--	--	--	--
Constant	10.16*** (3.319)	10.24*** (3.458)	10.13*** (3.387)	15.29*** (4.322)	9.459*** (3.204)
Industry-fixed	No	Yes	Yes	Yes	
Time-fixed	No	No	Yes	Yes	
Country-fixed	No	No	No	Yes	
$\sqrt{\psi^2}$					0.919
$\sqrt{\psi^3}$					2.306
$\sqrt{\theta}$					1.572
Observations	359	359	359	359	359
Number of companies	117	117	117	117	117
R ²	22.40%	24.70%	23.52%	30.38%	
Log likelihood					-793.042
Wald χ^2 (p-value)	99.91 (0.00)	121.38 (0.00)	123.91 (0.00)	3930.28 (0.00)	84.54 (0.00)

Empirical results for determinants of MDQ.

Models 1 to 4 are based on generalized least squares (GLS) random effects estimation and Model 5 is based on three-level variance component maximum likelihood estimation. The results are robust to controlling for AR(1) disturbances when re-specifying Models 1 and 2 according to the approach introduced by Baltagi and Wu (1999). Since this model specification is not defined for time-fixed variables, Model 3 and Model 4 are not re-run. The results of Model 5 are robust to using a restricted maximum likelihood estimator, which corrects for downward biased variance estimates when the number of highest-level units is small. *, ** and *** denote significance at the 10%, 5% and 1% level.



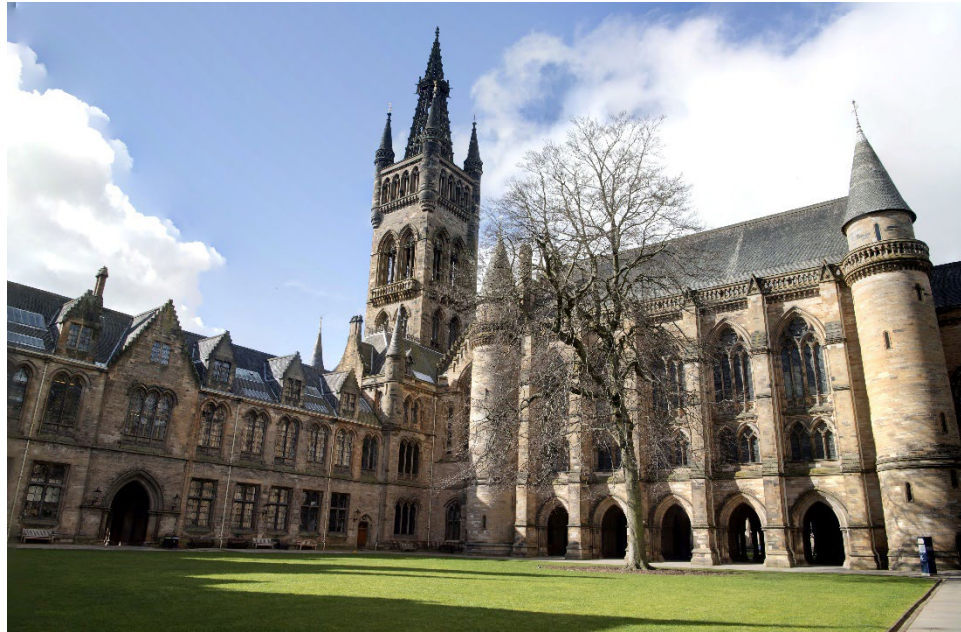
3. TASTE OF SCIENCE: RESEARCH ON INTEGRATED REPORTING QUALITY

- **Increasing materiality disclosure quality (MDQ) over time due to significant learning effects**
 - Standard setters should consider the **learning effects** and IR preparers' "different stages in their reporting journey" while drafting regulatory frameworks or amendments thereof
 - We recommend the issuance of a "**best practice guide**" for materiality disclosure, specifically for first-year appliers
- **positive link between gender diversity and MDQ**
 - Relevance for ongoing debate about mandatory board gender diversity (EU Directive 2022) and South Africa (Form B-BBEE 1)
- **Positive impact of external assurance of nonfinancial information in IR on MDQ**
 - Results emphasize the IIRC's recommendation of an **external verification** (.e.g. big four auditors)
 - Stakeholders should also hold managers accountable for a lack of assurance and appropriately adjust their provision of financial and social capital to the firm
 - debate about the necessity for a **specific assurance standard** for IR



LEUPHANA
UNIVERSITÄT LÜNEBURG

4. DOUBLE DEGREE AND STUDY ABROAD



DOUBLE DEGREE – BUSINESS AND MANAGEMENT STUDIES

COOPERATION UNIVERSITY OF GLASGOW AND LEUPHANA UNIVERSITY LÜNEBURG

MASTER MANAGEMENT & SUSTAINABLE ACCOUNTING AND FINANCE

<https://www.leuphana.de/en/graduate-school/masters-programmes/management-sustainable-accounting-and-finance/integrated-study-abroad-at-the-university-of-glasgow.html>



4. DOUBLE DEGREE AND STUDY ABROAD

Idea

The international cooperation between the University of Glasgow and Leuphana University Lüneburg enables you as a student to complete an **international degree programme with integrated semesters abroad in Glasgow** - and to receive a degree from **both universities** after successful completion of both academic years.

By studying at both universities, you can also build your global professional network -- an opportunity that a mono degree programme at just one university can hardly provide.

- Year 1: 60 ECTS **Leuphana Management Master programme**
- Year 2: 180 SCQF **Glasgow Master programme (Thesis (60 SCQF))** jointly supervised; face to face or via video-conference or online (to enable joint supervision)
- Maximum number of students: 30 (10 per intake, per programme at Leuphana)
- Tuition fees are charged at the University of Glasgow: for 2023/24 have not yet been set. In the past, they have been around **£15,000 per academic year**. Accommodation, study trip, study materials and general living costs are not included. Scholarships may be available for highly qualified applicants – on annual basis.

Contact person at the University of Glasgow: Dr Belgin Okay-Somerville: Belgin.Okay-Somerville@glasgow.ac.uk

Contact persons at Leuphana: For the Learning Agreement: programme director

International Office: Eva Vossnagen, vossnagen@uni.leuphana.de

Examination Service for Application for recognition: Sabine Burmester, s.burmester@leuphana.de; Anja Tonn-Galotta, tonn-galotta@leuphana.de



4. DOUBLE DEGREE AND STUDY ABROAD

Most attractive universities from prior students for study abroad (third semester):

- ESC Rennes Business School (France)
- Freie Universität Bozen (Italy)
- ICHEC Brussels School of Management (Belgium)
- Linköping University (Sweden)
- National Central University Taiwan (Taiwan)
- University of Queensland (Australia)
- Université de Reims Champagne Ardenne (France)
- Universität Innsbruck (Austria)
- Zagreb School of Economics and Management (Kroatia)



5. Your application

- **Deadline:** 1th June
- **masterinfo@leuphana.de**
- **Consecutive bachelor studies:**
- **Business Administration („Betriebswirtschaftslehre“) or Business Economics („Volkswirtschaftslehre“) at least 30 CP each or at least 60 CP one discipline; this includes at least 15 CP Accounting and/or Finance**
- **at least 15 CP in econometrics/mathematics/statistics**



6. Contacts

Basic:

Leuphana Graduate School
Universitaetsallee 1, Building 14
<https://www.leuphana.de/en/graduate-school.html>

Julia Oehmichen
Building 14, Room 19
Fon +49.4131.677-2408
julia.oehmichen@leuphana.de

Patrick Velte
Building 6, Room 309
Fon +49.4131.677-2117
patrick.velte@leuphana.de

Please follow:

<https://www.leuphana.de/en/graduate-school/masters-programmes/management-sustainable-accounting-and-finance.html>

Enjoy our Master programme Management & Sustainable Accounting and Finance