

Sustainability Reporting: Preparer Perspectives

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Project Description:

A growing awareness of climate change, social inequality and corporate responsibility means that investors, regulators, and other stakeholders are demanding more transparency and consistency in how companies report their sustainability performance. Traditional annual reports, aimed at the investor community, have been criticised for failing to meet the information needs of stakeholders and for failing to recognise the growing importance of intangible assets (both within and outside an organisation's control) for value creation (Rinaldi et al., 2018). A variety of voluntary reporting bodies and frameworks have emerged to address this challenge, leading to a widespread awareness of the importance of sustainability reporting to stakeholders. Recently, there has been rapid consolidation of these bodies towards the development of a comprehensive global base of standardised, soon to be mandatory sustainability standards, with the formation of the International Sustainability Standards Board (ISSB) in 2021, a critical development.

The introduction of mandatory sustainability reporting standards will have many consequences for all types of organisations, and rigorous academic research is necessary to fully understand these. The evidence regarding the relationship between sustainability reporting and sustainable behaviour by organisations is mixed (Narayanan & Adams, 2017; Pucker, 2021). The next five years will be critical in terms of sustainability reporting becoming institutionalised, and there are, therefore, several important research avenues to explore in this context, including but not limited to:

- Whether and how mandatory sustainability reporting fosters more sustainable behaviour within organisations.
- How the information needed for sustainability reporting is generated by organisations and linked to other reporting requirements, and how advances in technology (including Artificial Intelligence) may influence this.
- Whether and how the prior adoption of voluntary sustainability reporting (including Integrated Reporting) is significant when organisations begin mandatory reporting.
- How organisations are linking sustainability reporting requirements into their performance management systems (PMS) (via Sustainability Balanced Scorecards, for example).
- What changes are being made to formal and informal management control systems to embed sustainability reporting and behaviour.
- An analysis of the ownership of sustainability reporting within organisations, including the role of the accountant in this context.
- How organisations are upskilling their staff, whether certain aspects of sustainability reporting are being outsourced and the implications of this.
- Unintended consequences of reporting requirements and avoidance strategies.

We envisage the research project to be flexible according to the interests and background of the PhD candidate. The supervisory team is open to both qualitative and quantitative research methodologies.

Expectation:

The doctorate is expected to develop specific research questions within this area and gradually develop three working papers over the period of three years that are publishable in internationally recognised academic journals.

It is hoped that the prospective candidate will demonstrate an interest in developing both a theoretical/conceptual and empirical contribution within this field.

Applicant Specification:

The candidate must express a keen interest in sustainability accounting research. Prior knowledge and experience in either qualitative and quantitative research methodologies is required, such as a past undergraduate or postgraduate dissertation.

About the Supervisors:

Ruth Dimes: Research interests are in the area of non-financial and integrated reporting. She is particularly interested in whether and how external reporting impacts management behaviour. She is also interested in the use of text analysis techniques in research. Her current research is on Integrated Reporting and Integrated Thinking, and she is also researching the potential impact of AI on sustainability reporting.

Anwar Halari : Research is interdisciplinary and centres on the themes of accountability, sustainability, governance issues and environmental accounting. He is investigating the role of accountants in the move towards sustainability, with a particular emphasis on accountants attitudes towards sustainability, identity group norms and professional and societal norms. He is also exploring how accountabilities are enacted within governance structures in religious organisations with a particular focus on everyday practices of accountability. His [recent work](#) was published in Qualitative Research in Accounting and Management where he explored accountants perspectives of their engagement in the circular economy. Anwar also wrote a piece on what [COVID-19 means for universities' sustainability](#) plans.

Indicative reading:

Narayanan, V., & Adams, C. A. (2017). Transformative change towards sustainability: the interaction between organisational discourses and organisational practices. *Accounting and Business Research*, 47(3), 344–368. <https://doi.org/10.1080/00014788.2016.1257930>.

Pucker, K. P. (2021). Overselling sustainability reporting: We're confusing output with impact. *Harvard Business Review*, 99(3), 134. <https://hbr.org/2021/05/overselling-sustainability-reporting>

Rinaldi, L., Unerman, J., & de Villiers, C. (2018). Evaluating the Integrated Reporting journey: Insights, gaps and agendas for future research. *Accounting, Auditing & Accountability Journal*, 31(5), 1294–1318. <https://doi.org/10.1108/AAAJ-04-2018-3446>.

Further reading:

- Adams, C. (2017) 'Conceptualising the contemporary corporate value creation process', *Accounting, Auditing & Accountability Journal*, 30(4), pp. 906-931. doi: [10.1108/AAAJ-04-2016-2529](https://doi.org/10.1108/AAAJ-04-2016-2529).
- Eccles, R.G., Ioannou, I. and Serafeim, G. (2014) 'The Impact of Corporate Sustainability on Organizational Processes and Performance', *Management Science*, 60(11), pp. 2835-2857.
- Esch, M., Schnellbacher, B. and Wald, A. (2019) 'Does integrated reporting information influence internal decision making? An experimental study of investment behavior', *Business Strategy and the Environment*, 28(4), pp. 599-610. doi: <http://dx.doi.org.ezproxy.auckland.ac.nz/10.1002/bse.2267>.
- Figge, F., Hahn, T., Schaltegger, S., & Wagner, M. (2002). The Sustainability balanced scorecard – Linking sustainability management to business strategy. *Business Strategy and The Environment*, 11(5), 269–284. <https://doi.org/10.1002/bse.339>
- Gray, R. (2006) Does sustainability reporting improve corporate behaviour?: Wrong question? Right time? *Accounting and Business Research*, 36 (1), pp. 65-88. doi: [10.1080/00014788.2006.9730048](https://doi.org/10.1080/00014788.2006.9730048)
- IFRS. (2022). ISSB – Frequently asked questions. <https://www.ifrs.org/groups/international-sustainability-standards-board/issb-frequently-asked-questions/>