

Sustainability Accounting, Governance, Accountability and Social Impact

Supervisors: [Dr. Anwar Halari](#) and [Dr. Cristiana Bernardi](#), Department of Accounting and Finance, The Open University Business School

Project Description:

Although the concept of ethical and sustainable organisational behaviour surfaced many decades ago, it wasn't until the late 1980s and early 1990s that sustainability emerged as an increasingly popular area of research within accounting spheres (Gray *et al.*, 1993; Gray and Bebbington, 2000; Bebbington and Larrinaga, 2014). Authors such as Gray *et al.* (1993) and Egan and Tweedie (2018) emphasise the importance of the accounting profession to help organisations become more sustainable and move away from traditional financial accounting to wider sustainability accounting. To be truly sustainable, an organisation must consider environmental, social and governance issues in addition to financial considerations.

We are currently witnessing a fast-growing interest in sustainability accounting, which has been further accelerated by the COVID-19 pandemic. Consequently, to cater for the needs of the market, there has been a surge of new sustainability related roles in organisations as well as a growing number of policies promoting sustainability. Furthermore, consumers and investors increasingly look at social, environmental, and governance (ESG) performance to guide their purchases, investments and employment decisions. Organisations are being called to be more accountable over their social, environmental, and economic impacts to a wider range of stakeholders, revise their missions and adapt their ways of operation to be in line with the communities in which they operate. Accounting and accountability practices are deeply involved in this process, for instance, by identifying, measuring, and reporting the social, environmental, and economic impacts and the overall sustainability implications of the organisation. Interestingly, even though there has been a significant increase in sustainability reporting, sustainable investing and changes in regulations internationally, global climate change challenge, social inequality and environmental damage are pressing concerns. Research is urgently needed to understand accountability and new kinds of accounting is required to tackle the environmental and social crisis.

This doctorate project seeks to provide a better understanding of the interplay between sustainability accounting and accountability and the role of accounting (and the accounting profession) within this context. Of particular interest is how accounting and accountability practices can drive a transition towards a sustainable, equitable and a climate-conscious society. The research may relate to a range of different topics and contexts, for instance:

- An examination of whether accounting for ESG considerations or inclusion of ESG aspects into organisational policies and performance measures foster sustainable behaviour.
- How are professional accounting bodies equipping their members with the necessary skills to respond to sustainability/United Nations Sustainable Development Goals (UN SDGs)?

- What governance mechanisms are required to ensure accountability to tackle environmental and social challenges?
- What does sustainable performance and accounting for sustainability mean for small and medium-sized enterprises (SMEs)/social enterprises etc.?
- What changes to carbon accounting are necessary to achieve a net-zero economy?
- What should sustainable accounting and performance measurement look like?
- How are accountability and accounting used in sustainability reporting and social mission of organisations.
- Which forms of accountability are most important to address the environmental and social concerns?

The applicant is encouraged to read the Special Issue on “Social and Environmental Account/Ability 2020 and Beyond”, published in *Social and Environmental Accountability Journal*

Laine, M., Scobie, M., Sorola, M. and Tregidga, H. (2020). Special issue editorial: Social and environmental account/ability 2020 and beyond. *Social and Environmental Accountability Journal*, 40(1), pp.1-23.

We envisage the research project to be flexible according to the interests and background of the PhD candidate. We are open to both qualitative and quantitative research methodologies such as document analyses, interviews, case studies, longitudinal studies, surveys etc.

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 potentially 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 and accountability research. Prior knowledge and experience in both qualitative and quantitative research methodologies is required. An understanding and knowledge of UN SDGs would be an advantage; however, it is not compulsory.

About the Supervisors:

Anwar Halari, PhD: Anwar’s research interests are in the area of accounting and finance. His recent project is in the area of accountability and sustainability where he is investigating the role of accountants in the move towards sustainability. His [recent work](#) was published in the International Review of Financial Analysis that investigated organizational non-compliance with principles-based governance provisions and corporate risk-taking. Anwar also wrote a piece on what [COVID-19 means for universities' sustainability](#) plans. Other areas of research Anwar is currently working on include accounting for the social and environmental impacts of organisations, corporate governance, accountability and socially responsible investing.

Cristiana Bernardi, PhD: Cristiana’s main research interest lies within the area of financial reporting, particularly in the information content of mandatory and voluntary disclosures concerning non-

financial performance. Her research agenda includes two papers on climate change risk disclosure, one on COVID-19 regulatory news communications and one on sustainability in the chocolate industry.

Indicative reading:

Ashley, L., and Empson, L. (2017). Understanding social exclusion in elite professional service firms: field level dynamics and the “professional project”. *Work, Employment and Society*, 31(2), 211-229

Ashley, L., Duberley, J., Sommerlad, H., & Scholarios, D. (2015). A qualitative evaluation of non-educational barriers to the elite professions. London: Social Mobility and Child Poverty Commission.

Bebbington, J. and Larrinaga, C., 2014. Accounting and sustainable development: An exploration. *Accounting, organizations and society*, 39(6), pp.395-413.

Deegan, C., 2013. The accountant will have a central role in saving the planet... really? A reflection on ‘green accounting and green eyeshades twenty years later’. *Critical Perspectives on Accounting*, 24(6), pp.448-458.

Egan, M. and Tweedie, D., 2018. A “green” accountant is difficult to find: Can accountants contribute to sustainability management initiatives?. *Accounting, Auditing & Accountability Journal*, 31(6), pp.1749-1773.

Gray, R. and Bebbington, J., 2000. Environmental accounting, managerialism and sustainability: Is the planet safe in the hands of business and accounting? *Advances in Environmental Accounting & Management*, 1, pp.1-44.

Gray, R., 1992. Accounting and environmentalism: an exploration of the challenge of gently accounting for accountability, transparency and sustainability. *Accounting, organizations and society*, 17(5), pp.399-425.

Gray, R., 2010. Is accounting for sustainability actually accounting for sustainability... and how would we know? An exploration of narratives of organisations and the planet. *Accounting, organizations and society*, 35(1), pp.47-62.

Gray, R., Kouhy, R. and Lavers, S., 1995. Corporate social and environmental reporting. A review of the literature and a longitudinal study of UK disclosure, *Accounting, Auditing & Accountability Journal*, 8(2), 47–77.

Gray, R., Owen, D. and Adams, C. 1996, *Accounting & Accountability. Changes and Challenges in Corporate Social and Environmental Reporting*, Prentice Hall International, New York, NY.

Gray, R.H., Bebbington, K.J. and Walters, D., 1993. *Accounting for the Environment: The Greening of Accountancy Part ii* (Paul Chapman).

ICAEW insights, Strengthening the accountancy profession through diversity

ICAEW, 2017, Edgely et al, Diversity and the accounting profession

Kyriakidou et al, 2016,Editorial:Equality, diversity and inclusion in accounting, Critical perspectives in accounting

Laine, M., Scobie, M., Sorola, M. and Tregidga, H., 2020. Special issue editorial: Social and environmental account/ability 2020 and beyond. Social and Environmental Accountability Journal, 40(1), pp.1-23.

Macmillan, L. Social Mobility and the Professions, Available online: <https://www.bristol.ac.uk/media-library/sites/cmpo/migrated/documents/socialmobility.pdf>