


Chapter 12

Organisational and Individual Accountability for Sustainability Through Control

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ABSTRACT

This chapter elaborates on the connections between organisational and individual-level accountabilities for sustainability control purposes. This aim is achieved through a conceptual study that draws on accountability as the theoretical lens and some recent sustainability control works in different contexts to highlight potential research avenues for scholars conducting research into sustainability management, accounting, and/or control. The chapter finds that building on the individual level of accountability and socialising accountability form is important to incorporate into sustainability control studies given that such research is often conceptualised at the organisational level of external accounts. For practitioners, the chapter suggests that formalised control system design is not enough to ensure that sustainable performance outcomes are achieved in practice, and that managers in different types of organisational forms should integrate the views, perspectives, and beliefs systems of other (non-managerial) employees into their daily sustainability work.

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INTRODUCTION

Although stemming from the socio-environmental movements of the 1960s and 1970s, scholarly works dealing with sustainability control have grown exponentially since the turn of the 21st century as organisations attempt to meet various institutional demands relating to sustainability. Much like the more traditional definitions of management control (e.g. Anthony et al., 2014; Chenhall, 2003), sustainability controls are put in place to support decision-making and monitor, motivate and guide employee behaviour related to a specific sustainability control problem (Johnstone, 2019). While such problems have typically dealt with the environmental facets of sustainability such as those related to climate, waste, water and biodiversity (e.g. Gomez-Conde et al., 2019; Henri and Journeault, 2010), issues related to social sustainability issues, such as modern slavery, diversity and employee health are emerging (e.g. Gunarathne et al., 2016), and increasingly the subject of current special issue calls.

Sustainability controls have been conceptualised under various thematic categories, which often stem from extant management control system frameworks such as Simons' (1995) levers of control (e.g. Arjaliès & Mundy 2013; Beusch et al., 2022) or Malmi and Brown's (2008) conceptual package (e.g. Bouten & Hoozée, 2016; Crutzen et al., 2017). Drawing on these works, there are several types of controls that can be discerned from the literature for sustainability purposes that, combined, form the sustainability control system. These are now briefly overviewed.

Planning control sets out the strategic and tactical goals for the organisation based on its wider context. *Performance-related control* regards implementing targets to meet such plans. Some common examples include budgets and non-financial performance measures related to carbon and biodiversity. Meanwhile, *administrative control* regards the official policies and procedures of an organisation, as well as its (reporting) structures to ensure strategic plans are met. *Socio-ideological or cultural control* regards the symbols, values and belief systems of the organisation that are used to influence employee behaviours to align with organisational strategy as a function of control. Finally, *compensation controls* are those put in place to incentivise or reward individual employee behaviour and, for example, achievement of specific key performance indicators. Sustainability controls therefore include a wide variety of tools (e.g. sustainability performance indicators, governance structures and incentive systems etc.) that can be used by managers to ensure that organisational aims are met. These control tools can be both formal and informal in nature, as part of the official control system design. This means that while the formal tools regard the more tangible policies or targets of the organisation, the informal control tools regard the communication and reporting pathways between managers and other employees (see Pondeville et al. [2013] for more examples of this distinction).

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