Tampere University

ELINA VIKSTEDT

Accounting for Sustainable Development in the Hybridising Public Sector

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ACADEMIC DISSERTATION
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To my father and to my son

PREFACE

The summer of 2025 was the hottest on record. Across Europe, extreme heatwaves, floods and storms signalled a climate system in distress. The World Meteorological Organization has warned that global temperatures are likely to exceed the critical 1.5°C threshold within the next five years, beyond which the risks of severe climate impacts increase significantly (WMO, 2025). As a result, human-induced climate change—driven by greenhouse gas emissions—is no longer a distant threat but a present reality. The Intergovernmental Panel on Climate Change has reported a 1.1°C increase in global surface temperatures since pre-industrial times, with consequences that extend far beyond the climate. Indeed, we are now facing a systemic crisis. Biodiversity loss, resource depletion and growing social inequalities expose the fragility of the systems that underpin human well-being. The health of societies is inseparable from the health of the planet. Sustainable development offers a framework for navigating this complexity, although it calls for a reorientation of human activity within planetary boundaries. Agenda 2030 and the 17 United Nations Sustainable Development Goals (SDGs), which were adopted in 2015, provide a shared vision for a just, resilient and sustainable future (United Nations, 2015). However, realising this vision is not simply a matter of innovation; rather, it is a matter of how we organise and govern our societies.

To ensure this transformation, we require robust mechanisms to measure progress. At the ten-year anniversary of the launch of Agenda 2030, despite rhetorical commitments, tools for tracking and managing progress towards the SDGs remained underdeveloped. This represents a critical oversight, especially in the public sector. Public organisations are central to implementing sustainability policies, allocating resources and shaping societal outcomes. Without meaningful accounting practices, transparency, accountability and informed decision-making will be compromised. Accounting enables citizens, policymakers and stakeholders to understand the economic, social, and environmental impacts of public action, evaluate progress towards shared goals and hold institutions accountable. In a time characterised by complex global challenges and increasing demands for legitimacy and trust in governance, development of meaningful sustainability accounting practices for the public sector is more urgent than ever before.

Recent crises and regulatory setbacks, such as the backlash against the European Union's Corporate Sustainability Reporting Directive (Ioannou, 2025, March 25), have highlighted a troubling paradox—namely, as the urgency of sustainable development grows, the systems for monitoring it and producing the information required to steer the sustainability transition risk being weakened. '*Menneen talven lumia*' is a Finnish idiom that literally translates to '*the snows of last winter*'. It refers to something that has lost its relevance and, therefore, belongs in the past. In the wake of the COVID-19 pandemic and recent geopolitical tensions, the shared vision for 2030 feels increasingly distant. Yet, if we abandon the pursuit of a more sustainable and just future, we may one day speak not of last winter's snow but of the snow in the past decade. Future generations deserve not only the chance to experience the beauty of snowy winters but also peace, prosperity and a liveable planet. This represents a call to action for administrative research and practice: How can we renew our institutions, as well as reform administrative and managerial practices, to safeguard the long-term viability and integrity of our economies, societies and ecosystems?

This dissertation explores the complexities of accounting for sustainable development in a public sector that is simultaneously grappling with diminishing resources and rising pressures and experimenting with new forms of policy implementation and resource governance in collaboration with private companies and third sector organisations. While sustainability accounting in such settings is undeniably complex, this dissertation argues that, by critically examining and addressing these challenges, there is real potential to strengthen practices, enhance their impact and ensure that they remain relevant amid institutional and environmental change. Hence, this dissertation was written in the hope that future research, policy, and practice will continue to advance and reinforce accounting and accountability mechanisms for governance of sustainable development.

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There is truth to the adage that ‘hard work puts you where good luck can find you’. I have worked hard to earn my place, but I have also been blessed with exceptional supervisors, with a great group of colleagues, with a family that has supported me and with a lovely group of friends to take my mind off work every once in a while. This prompts me to remember how lucky I am and to offer my gratitude to all those who have supported me during this journey and contributed to this project.

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I was deeply honoured to have had two esteemed scholars serve as the pre-examiners for this dissertation: Professor Enrico Bracci from the Department of Economics and Management, University of Ferrara, and Associate Professor Daniela Argento, expert in Management Control and Accounting in the Faculty of Business, Kristianstad University. I also extend my heartfelt thanks to Daniela for graciously accepting the invitation to act as my opponent, dedicating her time and expertise to this project and providing invaluable feedback that significantly strengthened the final version of the dissertation.

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formerly of Tampere University and now at the University of Vaasa, and Professor Harri Laihonen from the University of Eastern Finland. They have helped me to develop my thinking and grow into the role of academic researcher. I truly hope that our collaboration will continue in the future, as working with them all has been both intellectually rewarding and personally meaningful.

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In addition to the support provided by the wonderful academic community in Tampere, I warmly acknowledge the financial support that made this research possible. I am sincerely grateful to the Tampere University Doctoral School, the Unit of Administrative Sciences, the Research Group on Public Financial Management, the University of Tampere Foundation sr, the Finnish Section of the Nordic Federation of Public Administration and the University of Würzburg for funding this research and enabling the international mobility essential for its successful completion. During this project, I also had the opportunity to participate in two research projects funded by the Research Council of Finland, which have played a pivotal role in advancing this work. Furthermore, I am deeply grateful to the Tampere Urban Research Network for Sustainability for providing seed funding for new scientific openings, paving the way for my postdoctoral research.

Finally, I wish to thank my family and friends—especially my mother and her partner, as well as my father-in-law and mother-in-law—for their generous help and

support with our little one. Their care has made it possible for me and my husband to navigate this demanding period with greater ease, and I am truly grateful for that. I also want to thank my father, who has always believed in me and reminded me that I can become whatever I set my mind to, as well as the rest of my family, for cheering me on and encouraging me throughout this journey.

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At Tampere University, 30.09.2025

Elina Vikstedt

ABSTRACT

Over the past decade, sustainability—the long-term safeguarding of environmental viability, social stability and economic continuity—has emerged as both a central societal objective and a guiding principle for organisational action. In 2025, global efforts to achieve sustainable development are steered by the United Nations' Agenda 2030 and the 17 Sustainable Development Goals (SDGs). Public organisations play a key role in implementing Agenda 2030, although addressing sustainability-related challenges—including mitigating climate change and biodiversity loss, reducing social inequality, ensuring basic livelihoods and promoting a sustainable economy—requires broad collaboration across all sectors of society. At the same time, the public sector has undergone significant transformations globally in recent decades, driven by efforts to enhance its efficiency and reform its operations.

This dissertation examines how performance management and accounting practices related to sustainable development are affected by changes in public governance and the way public sector organisations are managed. The interactions among public, private and civil society actors, along with the blending of public and private sector values within public management, contribute to the hybridisation of both the public sector and society at large, where governance of critical societal issues is shaped by the interplay of diverse institutional logics. These logics are socially constructed frameworks of values, beliefs and rules that guide behaviour and decision-making both within and across institutional contexts, shaping how practices are understood and enacted.

This dissertation is guided by the following research questions. How are sustainability accounting practices institutionalised in the hybridising public sector? How do multiple institutional logics and their interactions influence accounting concerning sustainable development? To address these questions, this dissertation applies a practice-oriented institutional approach and adopts institutional hybridity as its theoretical focus, drawing on prior theorisation of institutional logics and institutional work. This dissertation is qualitative and interpretive in nature. It comprises a summary and four independent articles—that is, three empirical articles based on interview data, participatory observations and documentary materials,

which examine SDG reporting in the context of Finnish cities and municipalities, and one integrative literature review that explores institutional hybridity in collaborative governance systems that implement sustainable development policies.

The central argument presented in this dissertation is that, in the context of evolving public policy and governance, there is a critical need to re-evaluate established accounting theories and practices. Given that public sector organisations increasingly operate in complex, multi-actor environments, conventional accounting frameworks must be reassessed in terms of their ability to support accountability, policy implementation and performance management in settings characterised by institutional hybridity. By examining the interrelationships among accounting, accountability, governance and public management, this dissertation contributes to the development of more context-sensitive and adaptive accounting and performance management approaches that are capable of responding to the realities of contemporary public governance. The results of this research emphasise the importance of critical scrutiny in ensuring that sustainability accounting and reporting practices serve the intended purpose and contribute to the construction of a more sustainable future.

TIIVISTELMÄ

Kestävyys on viimeisen vuosikymmenen aikana noussut keskeiseksi yhteiskunnalliseksi tavoitteeksi ja organisaatioiden toimintaa ohjaavaksi periaatteeksi. Kestävyydellä tarkoitetaan yleisesti ympäristön elinkelpoisuuden, yhteiskunnallisen vakauden ja taloudellisen toiminnan jatkuvuuden turvaamista pitkällä aikavälillä. Vuonna 2025 kestävää kehitystä ohjaa globaalisti Yhdistyneiden kansakuntien (YK) Agenda 2030 ja sen 17 kestävän kehityksen tavoitetta (Sustainable Development Goals, SDGs). Julkisten organisaatioiden rooli Agenda 2030:n toimeenpanossa on keskeinen. Kestävyyteen liittyvät haasteet, kuten ilmastonmuutoksen ja luontokadon hillitseminen, yhteiskunnallisen eriarvoisuuden vähentäminen, perustoimeentulon turvaaminen kaikille sekä kestävällä pohjalla toimivan talouden edistäminen, edellyttävät laajaa yhteistyötä eri yhteiskunnallisten sektorien välillä. Samalla julkinen sektori on viime vuosikymmenten aikana kokenut merkittäviä muutoksia, kun sen toimintaa on pyritty tehostamaan ja uudistamaan.

Väitöskirja tarkastelee, miten erilaiset ajattelutavat ja arvopohjat vaikuttavat kestävän kehityksen johtamiseen ja seurantaan julkisella sektorilla, sekä miten kestävyyteen liittyvät laskenta- ja raportointikäytännöt vakiintuvat osaksi julkisten organisaatioiden toimintaa julkisen hallinnan murroksessa. Julkisten, yksityisten ja kansalaisyhteiskunnan toimijoiden välinen vuorovaikutus sekä julkisen ja yksityisen sektorin arvojen sekoittuminen julkisessa johtamisessa edistävät julkisen sektorin hybridisoitumista, jossa yhteiskunnallisesti merkittävien kysymysten hallinta muotoutuu erilaisten institutionaalisten logiikkojen vuorovaikutuksessa. Institutionaaliset logiikat ovat sosiaalisesti rakentuneita arvojen, uskomusten ja sääntöjen viitekehyksiä, jotka ohjaavat käyttäytymistä ja päätöksentekoa eri institutionaalisissa konteksteissa, muokaten sitä, miten käytäntöjä ymmärretään ja toteutetaan.

Väitöskirjaa ohjaavat seuraavat tutkimuskysymykset:
(1) Miten julkista toimintaa ja kestävän kehityksen periaatteiden toimeenpanoa ohjaavien institutionaalisten logiikoiden välinen vuorovaikutus muovaa kestävän kehityksen tulosjohtamisen ja seurannan käytänteitä julkisella sektorilla?
(2) Miten kestävän kehityksen laskenta- ja raportointikäytännöt institutionalisoituvat hybridisoituvalla julkisella sektorilla?

Tutkimus soveltaa käytäntölähtöistä institutionaalista lähestymistapaa, omaksuen institutionaalisen hybridisyyden teoreettiseksi fokuksekseen, ja hyödyntää institutionaalisten logiikkojen ja institutionaalisen työn aiempaa tutkimusta ja teoretisointia. Väitöskirja sekä sen osatutkimukset ovat luonteeltaan laadullisia ja tulkitsevia. Väitöskirja koostuu yhteenvedosta ja neljästä itsenäisestä osakokonaisuudesta: kolmesta SDG-raportointia Suomen kaupunki- ja kuntakontekstissa käsittelevästä artikkelista, jotka pohjautuvat haastatteluaineistoihin, osallistuvaan havainnointiin ja dokumenttiaineistoihin, sekä yhdestä integroivasta kirjallisuuskatsauksesta, jossa tarkastellaan institutionaalista hybridisyyttä kestävän kehityksen politiikkoja toimeenpanevien yhteistoiminnallisten hallintajärjestelmien kontekstissa.

Tämän väitöskirjan keskeinen argumentti on, että muuttuvassa julkisen politiikan ja hallinnan kontekstissa on välttämätöntä arvioida kriittisesti uudelleen laskentatoimen teorioita ja käytäntöjä. Kun julkisen sektorin organisaatiot toimivat yhä monimutkaisemmissa ja monitoimijaisissa ympäristöissä, on tarpeen arvioida uudelleen perinteisten tulosjohtamisen ja laskentatoimen mallien kykyä tukea tilivelvollisuutta, kestävän kehityksen politiikkojen toimeenpanoa ja tulosjohtamista. Tutkimus analysoi kestävään kehityksen tulosjohtamisen ja laskentatoimen sekä julkisen hallinnan ja johtamisen välisiä yhteyksiä. Väitöskirja korostaa kriittistä tarkastelua, jotta kestävän kehityksen tulosjohtamisen, laskentatoimen ja raportoinnin käytännöt todella tukevat tavoitteitaan ja edistävät kestävämmän tulevaisuuden rakentamista.

CONTENTS

List of Figures

List of Tables

List of Abbreviations

EU	European Union
GRI	Global Reporting Initiative
MDGs	Millenium Development Goals
NPM	New Public Management
NPG	New Public Governance
SDGs	Sustainable Development Goals
UN	United Nations
VLR	Voluntary Local Review
VNR	Voluntary National Review

LIST OF ORIGINAL PUBLICATIONS

I Luhtala, M., Welinder, O., & Vikstedt, E. (2025). Glocalizing sustainability: How accounting begins for sustainable development goals in city administration. *Journal of Public Budgeting, Accounting & Financial Management*, *37*(2), 196–223.

II Sinervo, L. M., Vikstedt, E., Luhtala, M., Laihonen, H., & Welinder, O. (2024). Fostering sustainability in local government: The institutional work perspective on the accounting–management nexus. *Financial Accountability & Management*, *40*(4), 592–612.

III Vikstedt, E., Luhtala, M., Welinder, O., Sinervo, L. M., & Laihonen, H. (2024). Different sustainability endgames: Institutional logics in the performance management of local governments. *Public Money & Management*, 1–9.

IV Vikstedt, E., & Vakkuri, J. (2025). Multiple logics in performance management of collaborations for sustainability: An integrative review. *Public Administration Review*. Advance online publication.

CONTRIBUTIONS OF THE AUTHOR

I I developed the original idea for the article and prepared the data management plan for the project. The lead author collected consent forms from the participating cities. The contributions were equally shared among all of the authors: each author conducted interviews and performed document analysis for two of the six cities, and each author participated in developing and refining the theoretical framework, analysing the data, interpreting the findings and revising the manuscript. In addition to interviewing nine informants, I participated in all of the participatory observation sessions.

II I drafted the initial version of the nexus approach, which represents the article's main theoretical contribution. I also wrote the theoretical section of the article, contributed to the data collection by conducting interviews, participated in the coding and the analysis alongside three co-authors and led the final revision of the manuscript.

III I served as the lead author, being responsible for developing the main theoretical framework, designing the methodology and drafting the discussion and conclusion sections. The article builds on data collected for Articles I and II. My co-authors contributed to the data collection and analysis, and they also supported the development and refinement of both the theoretical framing and the three 'endgames' presented in the article.

IV I was the lead author of the article and was responsible for the theoretical framing, searching and integrating relevant literature and designing and conducting the analysis. I also drafted the conclusions section and developed initial proposals for the directions for future research. My co-author validated the literature search protocol and inclusion/exclusion criteria and contributed to refining the theoretical framework and future research suggestions.

1 INTRODUCTION

1.1 Background and motivation

In the face of escalating ecological and social crises, including climate change, biodiversity loss, environmental pollution, water scarcity, deepening inequality and geopolitical instability, sustainability—that is, the long-term viability of the natural environment, society and the economy—has emerged as both a central societal concern and a fundamental principle guiding the actions of contemporary organisations, from governments to private enterprises (Fiorino, 2010; Kaur & Lodhia, 2019; Meadowcroft, 2000). Sustainable development commonly refers to meeting the needs of the present without compromising the ability of future generations to meet their own needs (World Commission on Environmental Development, 1987). This definition connects human development with intra- and intergenerational justice, as well as with the balance of natural systems. It calls for transformative collective action and institutional renewal across temporal, spatial and structural scales, thereby positioning sustainability as a universal goal of all human activity (Lange et al., 2013).

In 2025, global sustainable development efforts are driven by the United Nations' 2030 Agenda for Sustainable Development and the 17 Sustainable Development Goals (SDGs). This comprehensive action plan is intended to eradicate poverty, protect the planet and ensure peace and prosperity for all by 2030 and beyond. The governments of United Nations (UN) member states have the primary responsibility for implementing Agenda 2030 and related policies. This includes adopting sustainability as both a starting point and a central performance objective in all public sector activities (e.g. Fiorino, 2010; Kaur & Lodhia, 2019). In addition to their direct operational impacts and investments, public sector organisations design and implement public policies and regulations concerning Agenda 2030, have the authority to implement large-scale projects and initiatives designed to address environmental, social and economic issues and are responsible for developing the human capabilities and institutional and physical infrastructure required for sustainable living (Ball et al., 2014; Bisogno et al., 2024; Kaur & Lodhia, 2019; Manes-

Rossi, 2024). Hence, examining the ways in which public sector organisations address economic, social and ecological sustainability is of paramount importance.

Sustainability-related challenges are inherently complex and deeply embedded in the fabric of society. They span jurisdictional, sectoral and organisational boundaries, forming interlinked and multi-dimensional problems (Vakkuri et al., 2021). Given this complexity, the resources and capacities of a single actor are typically insufficient to address these multi-scalar and multi-causal issues (Lange et al., 2013). As a result, the implementation of sustainable development policies increasingly relies on interconnected, coordinated and collaborative efforts among public, private, third sector and civic actors (Johanson & Vakkuri, 2017; Vakkuri et al., 2021). Yet, while addressing sustainability challenges requires broad collaboration across sectors, public actors simultaneously face growing demands for efficiency, transparency and fiscal discipline (Grossi et al., 2023; Vakkuri et al., 2021). In many countries, including Finland and other Nordic countries, such pressures have led to the outsourcing of key public functions to private companies and third sector organisations, alongside the adoption of managerial practices aimed at improving both performance and accountability (Grossi et al., 2023). Together, these developments have contributed to the hybridisation of the public sector and society in general. This hybridisation is reflected not only in the increasing involvement of external actors in service delivery and public value creation but also in the internal transformation of public organisations, which increasingly apply collaborative and performance-oriented approaches when implementing policies and delivering public services (Johanson & Vakkuri, 2017; Vakkuri et al., 2021).

To understand these shifts, this dissertation draws on the concept of *institutional hybridity*, which refers to the coexistence and interaction of multiple institutional logics within a given institutional arrangement, such as policies, organisations, professions or practices (Johanson & Vakkuri, 2017). Institutional logics are commonly defined as 'the socially constructed patterns of symbols and material practices, assumptions, values, beliefs, and rules by which individuals and organisations produce and reproduce their material subsistence, organize time and space, and provide meaning to their social reality' (Thornton & Ocasio, 1999, p. 804). Such logics draw from various sources of authority and legitimacy and rely on different bases for strategies, norms and attention (Thornton et al., 2012). They constitute discernible, identifiable and relatively robust patterns, which are often described as 'frames of reference' or 'grammars of practice' that inform human action and agency in everyday social conduct (Friedland & Alford, 1991; Greenwood et al., 2011; Lounsbury et al., 2021; Thornton et al., 2012). The hybridisation of the public sector has brought about

significant shifts in public management practices. For instance, public organisations increasingly draw on and integrate multiple institutional logics—such as bureaucratic, market-based and community logics—in their everyday operations (e.g. Vakkuri et al., 2021). The incorporation of diverse logics shapes how sustainable development policies are designed and implemented, how sustainability is governed and how sustainability considerations are embedded in the routine management practices of public sector organisations.

This dissertation adopts a practice-oriented approach (Smets et al., 2012), focusing on management practices in the hybridising public sector, and examines the implications of institutional hybridity for sustainability accounting. Here, sustainability accounting broadly refers to 'a range of techniques, tools, and practices that are used in the measurement, planning, control, and accountability of organisations with regards to environmental, social, or economic issues' (Laine et al., 2021, p. 2). By using practice-oriented institutionalism as a theoretical lens for understanding how sustainability accounting evolves as a practice in response to the pluralistic and dynamic nature of the hybridising public sector, this dissertation aims to generate new knowledge concerning how sustainability accounting practices are developed, deployed and institutionalised in public organisations that, unlike private businesses, must pursue a broad range of social, economic and environmental objectives, respond to diverse stakeholder demands, operate under stringent regulatory and budgetary constraints and increasingly collaborate with private and third sector actors in the pursuit of public policy goals (Bracci et al., 2021). More specifically, this dissertation examines how the coexistence of multiple—and often conflicting—institutional logics shapes how public actors think, act and interact when interpreting and integrating sustainability into accounting practices, in addition to how they engage in institutional work to mitigate complexity and institutionalise novel practices in public sector organisations and cross-sectoral collaborations.

The articles included in this dissertation focus on the emerging topic of accounting for Agenda 2030 and the SDGs. Through this introductory essay and the four independent research articles, the present dissertation contributes to the growing body of literature on public sector sustainability accounting and SDG-related accounting, responding to recent calls for critical inquiry into how public sector accounting can support progress towards sustainable development (Bebbington et al., 2019; Kaur et al., 2025; Kaur & Lodia, 2019). Accounting plays a pivotal role in both the implementation of Agenda 2030 and the governance of sustainable development. Indeed, accounts can enable public actors to translate abstract goals into measurable indicators and actionable targets, thereby rendering sustainability

objectives more governable (Russell & Thompson, 2008). Furthermore, accounting can enhance transparency and accountability, and facilitate coordination across public institutions, private sector actors and civil society. As Hopwood and Miller (1994) observe, accounting 'accords a particular form of visibility to events and processes, and in so doing, helps to change them' (p. 2).

This insight underscores the central premise of this dissertation—namely, that sustainability accounting is not merely a technical exercise but a socially embedded practice that both reflects and reshapes institutional realities (Carruthers, 1995; Chua, 1986; Hopwood, 1987; Hopwood & Miller, 1994; Meadowcroft, 2013). In addition to contributing to the literature on public sector sustainability accounting, this dissertation advances the institutional accounting research by examining how accounting practices are shaped by and actively shape broader institutional contexts (e.g. Grossi & Argento, 2022; Grossi et al., 2023; Steccolini et al., 2020; Vakkuri et al., 2021). In the hybridising public sector, where multiple institutional logics coexist and interact, accounting serves as a site of negotiation, interpretation and institutional transformation. By investigating the accounting practices associated with the SDGs in this evolving domain, this dissertation elucidates how accounting contributes to the construction of meaning, the distribution of attention and the shaping of public action in pursuit of sustainable development. In so doing, it offers critical reflections on current practices, set against the backdrop of stagnating global progress towards the SDGs and intensifying calls for urgent, transformative and collaborative action (Organisation for Economic Co-operation and Development [OECD], 2024).

1.2 Research questions and approach

Through the individual research articles (Articles I–IV) and this introductory essay, the present dissertation addresses the following research questions:

> RQ1: How are sustainability accounting practices institutionalised in the hybridising public sector?
>
> RQ2: How do multiple institutional logics and their interactions influence accounting for sustainable development?

The first research question focuses on the institutionalisation of sustainability accounting practices in the public domain. Institutionalisation, in this context, refers to the process by which certain practices become established and accepted as standard or conventional within a given institutional arrangement (Scott, 2001). In *The Social Construction of Reality*, Berger and Luckmann (1966) describe institutionalisation as the process by which habituative actions (i.e. practices) are reciprocally typified by actors, leading to the establishment of shared meanings and norms that become embedded in social structures. Here, practices refer to the patterns of routinised activity recognised and considered legitimate in a given institutional context (Smets et al., 2012). They are characterised as 'embodied, materially mediated arrays of human activity centrally organized around shared practical understanding' (Schatzki, 2001, p. 2) or '[patterns of activities] that are given thematic coherence by shared meanings and understandings. Separately, these activities may appear trivial, but together they have meaning and order because of their common purpose and understanding of how specific activities should be done' (Smets et al., 2012, p. 879). The institutionalisation of a practice typically involves multiple actors engaged in activities and processes that can occur even before formal institutional or organisational structures are established to support the practice in question (Scott, 2001; Smets et al., 2012). The first research question, therefore, explores how shared meanings and understandings concerning appropriate ways to account for sustainable development emerge. In so doing, it offers insights into the dynamics of change, the roles of actors and institutional work in practice transformation and the processes through which meaning is negotiated, shared understanding is generated and routines and social infrastructures are created.

Accounting practices are organised based on shared meanings and conceptions of performance (Vakkuri et al., 2022). As Lebas and Euske (2007) argue, performance is 'a social construct that results from the identification and sharing of a causal model' (p. 125). Accounting embeds implicit assumptions about the societal role of organisations, the nature of their activities and what is considered valuable in a given context. These conceptions are enacted via everyday work and translated into accounting models and techniques—such as indicators, valuation methods and reporting formats—that shape how performance is perceived, evaluated and managed (Power, 2015). Through this process, performance becomes a medium whereby order, meaning and prioritisation are produced and potentially reconfigured. The second research question examines how multiple coexisting, overlapping and sometimes competing institutional logics influence accounting practices concerning sustainable development. More specifically, it explores how these logics shape approaches to sustainability performance management in local government (Article III) and collaborative settings (Article IV), and what this means for sustainability as a performance object (Article I)—that is, an object towards which activities are directly constructed using accounting tools so that it can be monitored, evaluated and managed (Power, 2015). Construction of a performance object involves selecting and simplifying certain aspects of reality, thereby translating them into measurable forms that can be acted upon. This process has significant implications in terms of how sustainability is conceptualised and governed (Power, 2015).

1.3 Structure of the dissertation and original articles

This dissertation comprises two main parts—namely, an introductory essay and four original articles published in peer-reviewed international academic journals in the fields of public sector accounting and public management and administration. The four original publications are listed in Table 1, and their results are summarised later in Chapter 6. This section presents a brief summary of each article and outlines the overall structure of this dissertation.

Table 1. List of independent publications included in this dissertation

No.	Publication	Research questions
I	Luhtala, M., Welinder, O., & **Vikstedt**, **E**. (2024). Glocalizing sustainability: How accounting begins for sustainable development goals in city administration. *Journal of Public Budgeting, Accounting & Financial Management*.	How are new accounts concerning the SDGs adopted, introduced and deployed in the strategic planning and management of local governments?
II	Sinervo, L. M., **Vikstedt**, **E**., Luhtala, M., & Welinder, O. Fostering sustainability in local government: The institutional work perspective on the accounting–management nexus. *Financial Accountability & Management*.	What is done to institutionalise new sustainability accounting practices and connect them with management practices? And how does this aid local governments in fostering sustainable development?
III	**Vikstedt**, **E**., Luhtala, M., Welinder, O., Sinervo, L. M., & Laihonen, H. (2024). Different sustainability endgames: Institutional logics in the performance management of local governments. *Public Money & Management*.	How do multiple institutional logics shape the construction of sustainability as a performance object in local governments?
IV	**Vikstedt**, **E**., & Vakkuri, J. (2025). Multiple logics in performance management of collaborations for sustainability: An integrative review.	How and to what extent are multiple institutional logics integrated into the performance measurement and management of collaborative governance arrangements in divergent policy domains connected with sustainable development? How could future research and practice in terms of collaborative performance measurement and management more fully address the hybridity of institutional logics in governing the performance of collaborations?

The first article (see Publication No. I in Table 1), ‘Glocalizing sustainability: How accounting begins for sustainable development goals in city administration’, which was published in a special issue of the *Journal of Public Budgeting, Accounting & Financial Management* titled ‘Sustainable development goals (SDGs) and sustainability accounting: Opportunities and challenges for public, non-governmental and hybrid organisations’, explores the adoption and institutionalisation of the UN SDGs in the accounting of the six largest local governments in Finland by following Power’s (2015) fourfold development schema, composed of policy object formation, object elaboration, activity orchestration and practice stabilisation. While it does not explicitly draw on institutional theory, Power’s (2015) schema reflects institutional theorising by exploring how the broader institutional context influences the formation of accounting practices. The article, based on participant observations and semi-structured interviews conducted with key individuals involved in accounting concerning the SDGs in the six largest cities in Finland, explores three types of objects at different levels of analysis—namely, Agenda 2030 as a global policy object, sustainable development as a local-level performance object and the voluntary local review (VLR) process that facilitates the generation of bundles of accounting objects (i.e. specific performance indicators or accounts). The results of this research reveal that the accounting objects, policy objects and performance objects are subject to both institutionalised practices and prevailing institutional structures, which may create misalignment or situations where the accounting objects do not reflect the higher-level performance objectives or spirit of sustainable development policies.

The second article (see Publication No. II in Table 1), “Fostering sustainability in local government: The institutional work perspective on the accounting–management nexus,” which was published in a special issue of *Financial Accountability & Management* titled ‘Public financial management for sustainable development goals: Challenges, experiences, and perspectives’, investigates how sustainability becomes institutionalised in public sector accounting and management practices through the lens of institutional work. Drawing on Perkmann and Spicer’s (2008) framework, the articles examines the cultural, political and technical forms of institutional work that support the adoption of new sustainability accounting and management practices in Finland’s 18 largest local governments. The article is based on semi-structured interviews conducted with 46 professionals, including sustainability coordinators, financial and strategic managers and branch leaders, who were involved in the deployment and institutionalisation of SDG accounting and management practices. The article makes a theoretical contribution to the public sector accounting literature by introducing the political–technical–cultural nexus of institutional work in new

practice deployment, which highlights the mutually reinforcing influence of different types of institutional work on the institutionalisation of new accounting practices or on adjusting and modifying existing practices to support new performance objects.

The third article (see Publication No. III in the Table 1), 'Different sustainability endgames: Institutional logics in the performance management of local governments', which was published in a special issue of the journal *Public Money & Management* titled 'Public sector entities building a more sustainable world: managing, measuring and informing on the SDGs', focuses on how multiple institutional logics shape the construction of sustainability as a performance object in local governments. By qualitatively capturing institutional logics from interviews of 46 local government professionals, five institutional logics that shape sustainability as a performance object and serve as grammar for performance information production are identified. Different assemblages of these institutional logics create different projections of sustainability. The article introduces three potential 'endgames'—*sustainability as a brand, strategy* or *raison d'être*—as heuristic tools with which researchers and practitioners can reflect on how sustainability is constructed as a performance objective.

The fourth article (see Publication No. IV in Table 1), 'Multiple logics in performance management of collaborations for sustainability: An integrative review', which was published in *Public Administration Review*, considers how multiple institutional logics are integrated into the performance management of collaborations that address sustainability issues and promote sustainable development. This integrative review draws on insights from various sustainable development policy domains and concludes that institutional hybridity—in the form of multiple, sometimes overlapping and conflicting, institutional logics—is an inherent feature of cross-sectoral collaboration but is rarely addressed in the performance management and evaluation of such collaborative arrangements. This omission leaves the breadth of value generated via collaboration uncharted, while conflicting interpretations of the performance objectives hinder collaboration. To address this gap in the literature, the review synthesises key insights from studies that have incorporated multiple logics into performance management in collaborative settings and offers suggestions for future research directions.

The remainder of this dissertation is structured as follows. Chapter 2 introduces the conceptual background to the dissertation. Section 2.1 outlines developments in the international policy arena that led to the adoption of sustainable development as part of the public mission, culminating in Agenda 2030. Section 2.2 then discusses the hybridisation of the public sector at a more general level and relates the outlined

developments to the implementation of Agenda 2030 and governance of sustainable development. Section 2.3 focuses on the implementation of Agenda 2030 and accounting concerning the SDGs in Finland and explains why Finland offers a compelling context for studying public sector accounting in terms of sustainable development. Next, Chapter 3 (Literature Review) provides a synthesis of the public sector sustainability accounting research and reviews the recent literature on accounting for sustainable development and the SDGs. Chapters 4 (Theoretical perspectives) and 5 (Research design) elaborate on the overall research approach, philosophical underpinnings and methodological choices of this dissertation. Chapter 6 (Summaries of the articles) summarises key aspects of the original articles included in this dissertation and connects them to overarching research questions of this research. Then, Chapter 7 (Discussion) suggests the theoretical and practical implications of the articles and discusses the limitations of the dissertation and its individual components. Finally, Chapter 8 (Conclusions) concludes this dissertation by presenting some closing remarks and offering suggestions for future research directions.

2 CONTEXTUAL BACKGROUND

This chapter outlines the contextual background to the present dissertation. Section 2.1 examines global policy developments that have positioned sustainable development as a central performance objective in the public sector. Section 2.2 then explores the evolving governance landscape of sustainability, focusing on how public sector hybridisation affects the implementation of Agenda 2030 and the integration of sustainability into public management practices. It also briefly traces the increasing hybridity of the public sector over recent decades and links related changes to broader government reforms, thereby situating sustainability accounting within this evolving landscape of public governance and management. Finally, Section 2.3 focuses on the implementation of Agenda 2030 in Finland, providing an overview of the institutional context of three of the articles (Articles I—III) included in this dissertation.

2.1 Sustainable Development Goals for 2030 and beyond

Sustainability, as established in Chapter 1, refers to the long-term viability of the natural environment, society and the economy (e.g. Meadowcroft, 2000). Sustainable development, a term popularised by its use in the Brundtland Report in 1987, describes the approach to achieving sustainability, which involves strategies, policies and practices that promote economic growth and social well-being while also protecting the environment. Hence, sustainability is a broad goal that emphasises balancing environmental, social and economic factors to meet current needs without compromising future generations' ability to meet their own needs, whereas sustainable development is the process by which that goal can be achieved. Both concepts are commonly defined using three key dimensions or ‘pillars’—economic, environmental and social—each with various subdimensions (Purvis et al., 2019). Generally, the economic dimension seeks to secure financial viability and ensure resilience across generations, the social dimension focuses on social well-being,

peace, equity and quality of life, while the environmental dimension concerns ecological integrity and focuses on minimising human impacts and protecting natural ecosystems (e.g. Giddings et al., 2002; Purvis et al., 2019).

The Brundtland Report, officially titled *Our Common Future* and published by the World Commission on Environment and Development (1987), is considered one of the most influential documents in the history of environmental governance and sustainable development. The report laid the groundwork for the 1992 Earth Summit in Rio de Janeiro, which produced five major international agreements—namely, the Rio Declaration on Environment and Development, the Statement of Principles for a Global Consensus on the Management, Conservation and Sustainable Development of all Types of Forests, the United Nations Framework Convention on Climate Change (1992), the Convention on Biological Diversity and Agenda 21 (Mensah, 2019). As part of Agenda 21, a comprehensive non-binding action plan for sustainable development based on the outcomes of major UN conferences in the 1990s, including the Earth Summit, the 189 UN member states adopted the eight Millenium Development Goals (MDGs) in 2000. These goals primarily aimed to address the most pressing global social and environmental challenges, particularly in developing countries, by 2015. Together, these developments marked a significant shift in the global policy arena: sustainability moved from the margins to the centre of global policymaking (Mensah, 2019).

As the 2015 deadline approached and UN member states reviewed their progress, it became evident that, while some improvements had been made, many challenges remained. Indeed, extreme poverty, hunger and gender inequality persisted, universal primary education had not been fully achieved and diseases such as malaria, HIV and AIDS continued to pose major threats. Following extensive consultations, mainly held between 2013 and 2015, the UN member states agreed in September 2015 to adopt 17 SDGs and 169 specific targets as part of the UN Sustainable Development Summit. The new plan, titled *Transforming Our World: The 2030 Agenda for Sustainable Development*, which is commonly referred to as Agenda 2030, involved broader and more inclusive goals than the MDGs. It was intended to guide global development efforts from 2015 to 2030. As of 2025, Agenda 2030 and the SDGs remain the most widely endorsed global framework for sustainable development, representing the broadest international consensus on the actions required to achieve sustainability. Together, they frame socio-ecological challenges as both universal and global, encompassing all areas of human activity (Meadowcroft, 2000).

Currently, the implementation of Agenda 2030 relies largely on voluntary commitments and non-binding frameworks, with only a few legally binding international treaties supporting its progress. These legally binding instruments include the Paris Agreement, which aims to limit global warming to well below 2°C; the Convention on Biological Diversity, which focuses on protecting ecosystems, species, and genetic resources; and various International Labour Organisation conventions, which promote decent work and fair labour standards worldwide. While the governments of the UN member states have primary responsibility for its implementation, the SDG framework emphasises sustainability to be a shared responsibility, with Goal 17 dedicated to 'strengthening the means of implementation and revitalising the Global Partnership for Sustainable Development'. This underscores the collective and collaborative nature of Agenda 2030's implementation and frames sustainable development as a joint mission and an overarching performance objective for all sectors of society.

As of 2025, there is no international agreement on what will come after the SDGs. The notion of sustainability, as stated in Chapter 1, changes over time and is contingent upon values, beliefs and ideals prevalent in a given context at a specific point in time (Meadowcroft, 2013). Our understanding of the relationship between human activity and the planet, as well as of the role that economic activities play in our societies, has evolved significantly as new evidence of humans' impact on the planet has emerged and accumulated. Some problems have been effectively addressed; for instance, the Montreal Protocol designed to eradicate ozone-depleting substances has succeeded in protecting the Earth's ozone layer, while in the European Union (EU), chemical pollution has significantly decreased, largely due to stricter EU regulations, improved monitoring, and a shift towards safer chemical use and cleaner industrial practices (European Environmental Agency, 2024). However, new concerns have also emerged, such as the climate crisis and biodiversity collapse, political instability and widening global inequality, as well as the societal impacts of rapid technological transformations and demographic changes (OECD, 2024). Such developments will shape progress beyond 2030. Likewise, the lessons learned from the implementation of Agenda 2030 and the growing body of research on the SDG and Agenda 2030 implementation process will help to define the way forward as 2030 approaches.

Moreover, Agenda 2030 and related developments in the international policy arena have collectively reinforced global commitments to sustainability. They have also initiated sustainability reforms in the public sector, positioning sustainability as both a guiding principle and a central performance objective across public sector

activities (e.g. Fiorino, 2010; Kaur & Lodhia, 2019; Meadowcroft, 2000). With UN member states committed to Agenda 2030, public governance systems have been explicitly mandated to advance the SDGs via a range of policy instruments and governance initiatives (Bouckaert et al., 2016). Addressing complex environmental, social and economic challenges requires the integration of sustainable development principles into the policies, practices and structures of public institutions at all levels of government and administration. Simultaneously, public sector organisations must collaborate with non-governmental actors, including private businesses and non-profits, to pursue the vision for 2030. These shifts in the governance landscape in which the SDGs are being implemented will be examined in more detail in the following section.

2.2 Evolving landscape of the governance of sustainability

The governments of UN member states have primary responsibility for implementing Agenda 2030 and the SDGs. They set national targets and develop strategies, regulations, guidelines and budgets to support the SDGs, coordinate actions across government and monitor progress via voluntary national reviews (VNRs) presented at the UN High-Level Political Forum. The public sector also plays a pivotal role in realising the vision for 2030, as public organisations are tasked with delivering essential goods and services, including basic infrastructure and housing, public transport, waste management, social services, education and healthcare, while also managing public resources. In addition, public organisations implement policies and exercise regulatory authority to promote economic stability, growth and social and environmental objectives. They also respond to crises and disasters, foster peace and security, and uphold global standards. These responsibilities are especially critical in addressing transnational challenges such as climate change and social crises (Adams et al., 2014; Ball et al., 2014; Manes-Rossi, 2024).

However, as a policy objective, sustainability requires a profound societal transformation—one that spans temporal, spatial and structural scales and crosses jurisdictional, sectoral and organisational boundaries (Lange et al., 2013; Meadowcroft, 2007; Vakkuri et al., 2025a, 2025b). The increasingly complex, dynamic and interconnected nature of modern policymaking has prompted to a move from state-centric to society-centric governance and the increasing participation of non-governmental actors in the management and governance of sustainable

development (Lange et al., 2013; Vakkuri et al., 2021; Vakkuri et al., 2025b). In this dissertation, governance is not confined to the coercive actions of the state; rather, it is conceptualised more broadly as the purposeful and collective efforts by which various actors seek to steer, guide, control and manage different sectors and facets of society (Kooiman, 2003; Kourula et al., 2019; Johanson & Vakkuri, 2017). Hybridisation, in the context of sustainable development, is evident in the shift from 'government' to 'governance', which is characterised by non-state actors assuming a greater role in managing environmental resources, providing critical social infrastructure and addressing complex public policy challenges such as climate change and biodiversity loss.

Shifts in the design, implementation and governance of sustainable development policies are driven not only by the complex nature of sustainability challenges but also by broader government reforms and evolving public administration theories. In particular, these shifts are shaped by two major paradigm changes in public sector management and governance—namely, *new public management* (NPM), which emphasises market-oriented approaches, efficiency, performance measurement and competition, and *new public governance* (NPG), which focuses on collaborative, network-based models of public service delivery, partnerships, stakeholder engagement and value co-production. In the research literature, NPM and NPG are sometimes presented as clear and distinct paradigms; however, in reality, the transitions from one paradigm to another are much more difficult to disentangle, given that the contemporary governance and policy landscape is characterised by combinations of different types of governance and policy instruments and modes of action, as well as their complex interactions (Funck & Karlsson, 2024; Vakkuri et al., 2025a). Moreover, the influences of different reforms and theories tend to layer on top of one another, as suggested by Polzer et al. (2016) and Funck and Karlsson (2024). Nevertheless, this section will now briefly outline NPM and NPG and their impacts on public management.

The NPM doctrine emerged in the 1980s as a response to the perceived inefficiencies of traditional public administration, gaining particular traction in Anglo-American countries (Hood, 1991; Klijn, 2012). NPM emphasises decentralised authority, performance-based management, financial accountability and market-oriented reforms, including the outsourcing of public services to private providers. It also promotes a customer-oriented approach and greater managerial flexibility within public operations. During related reforms, accounting played a crucial role in facilitating the cultural shift towards a measurable, managerial and market-driven public sector (Steccolini et al., 2020), serving as a governance technology that

facilitates broader-level institutional change in the public sector (Guthrie et al., 1999, p. 211).

While NPM peaked in the 1990s and early 2000s, its principles continue to shape public policy and service delivery today. In many countries, NPM-related reforms have amplified the influence of market and corporate logics in the public sector. Governments increasingly outsource the production of public goods and services to private and non-profit actors (Klijn, 2012), while public organisations remain under pressure to demonstrate efficiency, effectiveness, transparency and value for money (Grossi et al., 2024). In the post-NPM era, many public services are disaggregated into autonomous units or outsourced to private actors. Performance measurement and managerial accountability have become increasingly prominent, with public actors generally oriented towards achieving quantifiable results and demonstrable impacts (Grossi et al., 2024). Furthermore, the principles of NPM assume that market mechanisms, competition and private sector efficiency can solve public problems more effectively than traditional bureaucratic models (Hood, 1991). This is evident in the implementation of Agenda 2030, which heavily relies on private participation, market-based and voluntary governance mechanisms and the ability of markets to self-regulate (Lange, 2013).

Although the NPM tradition continues to influence public management and governance today, the 21st century has also marked a shift away from ‘running the state like a business’. In this post-NPM era, new ideas, norms and values have emerged that challenge the core assumptions of NPM (Funck & Karlsson, 2024). This era is characterised by a shift from government to governance, where public policies are increasingly implemented and complex societal challenges addressed through collaborative and networked governance structures (Grossi & Argento, 2022; Klijn, 2012; Kourula et al., 2019; Lange et al., 2013). Contemporary modes of governance discussed in the public administration and management literature—such as governance beyond the state (Swyngedouw, 2005), collaborative governance (Ansell & Gash, 2008), network governance (Klijn, 2012), co-governance (Yahia et al., 2019), public value management (Moore, 1995) and meta-governance (Gjaltema et al., 2020)—exemplify more inclusive, pluralistic and participatory forms of governance. These approaches are expected to provide more agile and flexible responses to complex policy problems (Godenhjelm & Sjöblom, 2020; Lange et al., 2013). In addition, private and third sector organisations are increasingly recognised as political actors that take actively part in the design and implementation of public policies and the creation of public value (Carson et al., 2015; Höllerer, 2013; Matten & Moon, 2020). Sustainable development policy programmes typically strongly

emphasise the broad engagement of private, third sector and community actors in both the making of policies concerning sustainable development, as well as their implementation and oversight.

These developments have contributed to the hybridisation of the public sector and society more broadly. The traditional boundaries between societal sectors are increasingly blurred (Johanson & Vakkuri, 2017), while public service delivery is now frequently carried out by private organisations and public–private partnerships, which fund, build and operate projects serving the public interest, such as renewable energy facilities, sustainable infrastructure and green transportation systems (Pinz et al., 2021). Market-based instruments, including green bonds, impact investments and biodiversity or carbon offsetting schemes, are increasingly leveraged to advance the SDGs. At the same time, collaborative governance arrangements and community-based resource management initiatives have become increasingly prevalent. Societal challenges are also addressed via voluntary commitments and corporate social responsibility initiatives, where private actors go beyond regulatory compliance to promote sustainability (Carson et al., 2015; Höllerer, 2013; Matten & Moon, 2020).

In this evolving and increasingly complex governance landscape, public sector organisations are expected to navigate diverse actor networks while also demonstrating measurable outcomes. The post-NPM landscape, shaped by the overlapping social imaginaries of both NPM and NPG, calls for strengthening the effectiveness, accountability, transparency, openness and participatory nature of public service delivery and policy implementation. Such shifts are redefining the boundaries of public sector accounting and accountability (Grossi & Argento, 2022; Grossi & Steccolini, 2014), reframing the notions of ‘publicness’ and ‘public value’ within public management (Bracci et al., 2019) and promoting interaction, dialogue and co-construction of meaning among diverse groups of stakeholders (Barbera et al., 2024). In response to increasingly complex societal challenges, public sector organisations incorporate multiple institutional logics into their own practices (Vakkuri et al., 2025b). In this way, the hybridity of politics and policy translates into the hybridity of organisational practices (Johanson et al., 2025; Vakkuri et al., 2025b). This dynamic and recursive interplay is evident in how accounting both reflects and facilitates institutional change in its broader societal context. This highlights the need to critically reassess and redefine public accounting practices in light of broader changes in governance, while deepening our understanding of how accounting has adapted—and continues to adapt—to shifts in public governance and policy (Grossi & Argento, 2022).

Institutional hybridity, hybridisation and institutional logics and work are discussed in more depth in Chapter 4, which outlines the theoretical perspectives of this dissertation. For now, the next section elaborates on the contextual background of this dissertation by focusing on the implementation and accounting concerning Agenda 2030 and the SDGs in Finland.

2.3 Accounting for Agenda 2030 and the SDGs in Finland

Three of the original articles (Articles I–III) included in this dissertation are set in the empirical context of Finland, which offers a compelling Global North case for addressing the research questions outlined in Chapter 1 (Section 1.2) for several reasons.

First, Finland has consistently ranked among the top countries in terms of global sustainability indexes and demonstrated strong commitment to Agenda 2030, being regularly placed in the top three of the UN Sustainable Development Solutions Network's SDG rankings and actually topped the list in 2025 (Sachs et al., 2024). Finland was also among the first countries to conduct a comprehensive national evaluation of Agenda 2030's implementation, submitting the first VNR to the UN in 2016. In July 2025, Prime Minister Petteri Orpo presented Finland's third VNR at the UN High-level Political Forum, reaffirming the country's commitment to Agenda 2030 and the SDGs. However, despite this leadership, Finland is unlikely to fully achieve the SDGs by 2030 (Haila et al., 2023).

Second, Finland exemplifies the paradox of high-performing sustainability leadership but high global environmental impact. As a wealthy, high-consuming nation, Finland is among the top 10% of global consumers, which are responsible for 31–51% of planetary boundary transgressions (Tian et al., 2024). The key national challenges include overconsumption, carbon emissions, biodiversity loss and pollution (Haila et al., 2023; Prime Minister's Office, 2020, 2025). In 2023, imports accounted for approximately 55% of the country's final consumption expenditure, highlighting Finland's global footprint (Statistics Finland, 2023). Hence, Finland's efforts to lead by example and develop innovative sustainability solutions are central to national strategy, as emphasised in the latest VNR (Prime Minister's Office, 2020, 2025).

Third, Finland's advanced information infrastructure, strong institutions and high governance capacity provide fertile ground for developing new approaches to sustainability accounting. In Finland, the implementation of Agenda 2030 is guided

by a National Action Plan developed by the government, which was first issued in 2016 (Lyytimäki et al., 2016; Prime Minister's Office, 2016). National-level SDG progress is monitored through VNRs submitted to the UN every four years, interim evaluations of the implementation of Agenda 2030 that assess the actions of the central government (Berg et al., 2019; Haila et al., 2023) and annual 'State of Sustainable Development' reports produced by the National Monitoring Network. A Citizens' Panel also evaluates sustainable development from the public perspective. Since 2021, the State Treasury has recommended that ministries, agencies and other public institutions prepare annual sustainability reports according to a framework based on Agenda 2030 and the SDGs. These reports focus on the contributions to 3–5 specific goals and can be prepared at different administrative levels. The State Treasury also produces an estimate of the central government's carbon footprint and pools related data into a common databank.

Fourth, Finland's governance model is characterised by strong cross-sectoral collaboration. The National Commission on Sustainable Development (established in 1993) and the National Monitoring Network (established in 2004) include representatives from government, business and civil society, ensuring broad societal engagement. Hybridisation in the Finnish public sector is evident in practices such as agentification, projectification, outsourcing and public–private partnerships, as well as in business-like management approaches (Haveri, 2006). Public participation and cross-sector collaboration are also central to sustainability work (Pulkkinen et al., 2024). In 2022, the National Commission approved a new strategy for 2022–2030 titled *A Prosperous and Globally Responsible Finland that Protects the Carrying Capacity of Nature* (Finnish National Commission on Sustainable Development, 2022). This strategy identifies six systemic change areas—ranging from sustainable energy to food systems and land use—and emphasises broad ownership, local action and cross-sector engagement. Moreover, the Sitoumus 2050 (Commitment 2050) platform exemplifies this whole-of-society approach by encouraging voluntary sustainability commitments from diverse actors.

Commitment to sustainable development is also evident at the local level. Finland's capital, Helsinki, was the first city in Europe—and the second globally after New York—to commit to city-level reporting on the SDGs. Finnish municipalities play a critical role in implementing Agenda 2030. Despite their autonomy, they align with the national strategy and are responsible for delivering many services linked to the SDGs. According to the Association of Finnish Local and Regional Authorities (Kuntaliitto), municipalities are directly responsible for around two-thirds of the SDGs. The six largest cities—Helsinki, Espoo, Tampere, Vantaa, Turku, and Oulu—have

formalised their commitment to sustainable development through the Eurocities 2022 declaration and committed to preparing Voluntary Local Reviews (VLRs). These frontrunner cities have integrated sustainability into their strategies, developed climate budgets, and actively engaged in sustainability accounting. Additionally, the Local Government Act (410/2015) requires municipalities to promote social, economic, and environmental sustainability. As a result, Finnish local governments are part of the leading Nordic SDG accounting cluster (Cohen et al., 2023; Manes-Rossi, 2024). Nevertheless, the integration of sustainability into accounting practices—both in Finland and other UN member states—remains at an early stage (Cohen et al., 2023).

In summary, Finland's proactive approach, strong institutions, high governance capacity, active cross-sectoral engagement and global impact render it a highly relevant empirical context for studying sustainability accounting. The country's hybrid governance structures and reform-oriented public sector also offer valuable insights into how SDG accounts are institutionalised in a hybridising public sector, especially at a local level.

3 LITERATURE REVIEW

This chapter synthesises the prior research on sustainability accounting in the public sector, with a particular focus on accounting for sustainability and the UN SDGs. It aims to consolidate the relevant bodies of knowledge and provide a concise overview of developments in the field of public sector sustainability accounting. In addition to providing an overview of accounting concerning the SDGs in public sector contexts—an emergent and still evolving area—this chapter offers critical insights into the roles and limitations of accounting in addressing sustainability challenges. It also critically reflects the nature of the SDG framework and how it has been operationalised in sustainability accounting and reporting.

3.1 Sustainability accounting in the public sector

Sustainability accounting, which is also referred to as social and environmental accounting, is broadly understood as encompassing the measurement, planning, control and accountability of environmental, economic and social impacts (Laine et al., 2021). Sustainability accounting encompasses various aspects of organisational activity, including economic, social, and environmental impacts; progress towards broader sustainable development goals; and the influence of ecological, social, and economic conditions on organisational operations (cf. Adams et al., 2014; Bebbington & Unerman, 2020; Laine et al., 2021; Lodhia, 2024; Unerman et al., 2018). In other words, sustainability accounting refers to a group of accounting practices intended to provide information on the progress of an organisation along the path to sustainability (Kaur & Lodhia, 2019) that have both internal and external dimensions (Laine et al., 2021). Internally, sustainability accounting involves management accounting practices that support planning, control and decision-making related to sustainability goals. Externally, it includes sustainability reporting, which communicates the organisation's sustainability performance and impacts to stakeholders and the general public. Thus, sustainability accounting can encompass various aspects of the three dimensions of sustainability, ranging from ecological impacts (e.g. carbon emissions, ecological footprints) to both social and economic factors, including occupational health and safety, community relations, stakeholder engagement and

economic impacts beyond the financial measures used in financial accounts (Adams et al., 2014).

In the academic domain, the emergence and evolution of research on sustainability accounting in public sector contexts aligns with general developments in the field of accounting research. Since the 1960s and 1970s, when environmental and social topics began to emerge in the accounting field, sustainability accounting has grown from a marginal topic into a substantive, versatile and rapidly expanding area of scholarship (Parker, 2001, 2011). New research strands, such as accounting for the SDGs (e.g. Bebbington & Unerman, 2018, 2020), social sustainability (O'Dwyer & Unerman, 2016), biodiversity (Maione et al., 2023) and circular economy (Di Vaio et al., 2023), have emerged, driven by growing concerns about climate change and the carrying capacity of the planet, as well the pursuit of human well-being, equality, peace and prosperity (O'Dwyer & Unerman, 2016).

The sustainability accounting research has dedicated significant attention to exploring the quality of sustainability performance information and disclosures (Hsiao et al., 2022), the application of various frameworks and standards in public sector sustainability accounting (e.g. Alcaraz-Quiles et al., 2015; Goswami & Lodhia 2014; Guthrie & Farneti, 2008; Montecalvo et al., 2018) and the role that accounts and accountants can play in driving change intended to foster sustainable development (Bebbington & Unerman, 2018; Dumay et al., 2010; Garcia-Torea et al., 2023; Russell & Thompson, 2008). The majority of the literature, however, focuses on the private sector as the context for the accounts, while the public sector contexts of sustainability accounting has received less attention in the social and environmental accounting research (Adams et al., 2014; Grossi et al., 2024; Lodhia, 2024).

In accordance with the sustainability accounting scholarship in general, researchers examining sustainability accounting, reporting and performance management in public sector contexts have focused on the determinants and organisational motivations behind sustainability reporting (e.g. Argento et al., 2019; Farneti & Guthrie, 2009; García-Sánchez et al., 2013; Uyar et al., 2021), the quality and quantity of sustainability reporting and the application of international standards such as the Global Reporting Initiative (GRI) in public sector organisations (e.g. Adams et al., 2014; Argento et al., 2019; Greiling & Grüb, 2014; Greiling et al., 2015; Roberto et al., 2020; Williams et al., 2011). More recently, studies have examined the role of accounting in shaping sustainability practices in public organisations (e.g. Thomson et al., 2014).

Sustainability accounts have been studied in various public sector contexts, although most such studies have focused on sustainability reporting by educational

institutions, local governments and state-owned enterprises, while sustainability accounting at the central government level has received less attention (Manes-Rossi et al., 2020). Overall, previous studies have relatively consistently revealed that public sector organisations worldwide are lagging in terms of disclosing information on their sustainability performance, while the quality and quantity of their reporting have remained consistently low (e.g. Adams et al., 2014; Argento et al., 2019; Cohen, 2022; Larrinaga et al., 2018; Maroun & Lodhia, 2017). Thus, at present, there is only limited research explicitly focused on contexts and societal sectors that do not follow the profit imperative of the private sector, such as the third sector and public sector (Lodhia, 2024). Furthermore, the results of studies concerning the determinants of the quality and quantity of sustainability disclosures have been somewhat inconsistent (Manes-Rossi et al., 2020).

Scholars have raised concerns that the adoption of tools, techniques and models originally envisaged for private sector use is too organisation-centric and managerialist for public sector organisations, which have much broader societal responsibilities and missions when it comes to advancing sustainable development (e.g. Dumay et al., 2010; Grossi et al., 2023; Lodhia, 2024). Moreover, some public accounting scholars have criticised sustainability accounting frameworks, such as the GRI, for being overly managerialist and inward-focused, rendering them less suitable for public sector organisations (Dumay et al., 2010). Similar concerns have been raised about conventional accounting in general, which is considered inherently unsustainable due to its business focus and reliance on neoclassical economic thought (Gray, 2006; Jones, 2010). In general, research on public sector sustainability accounting and accountability has emphasised that context matters (e.g. Bracci et al., 2021; Grossi et al., 2023; Steccolini, 2019), and that accounting practices should be carefully considered in relation to public duties and sector-specific characteristics—particularly in light of ongoing changes in public governance and management (Grossi & Argento, 2022; Vakkuri et al., 2023).

3.2 Accounting for the UN SDGs

Since the adoption of Agenda 2030 and the 17 SDGs, the need to produce accounts with regard to sustainable development has become increasingly relevant to all types of public sector organisations, from national governments and ministries to local

authorities and agencies. Accounting provides a vital information base that enables public entities to mobilise resources for advancing the SDGs. It helps policymakers identify and address activities that hinder progress—such as environmentally harmful subsidies for non-renewable energy—and, through transparent reporting, allows stakeholders including citizens, investors, and civil society to scrutinise how public funds are allocated and assess whether resources are being directed towards achieving the SDGs (Bisogno et al., 2024; Bouckaert et al., 2016; Kaur et al., 2025; Manes-Rossi, 2024). Therefore, accounting for the SDGs is not just a technical task but also a powerful tool for enhancing public sector decision-making, accountability and stewardship, ensuring that public money is being spent sustainably (Kaur et al., 2025; Manes-Rossi, 2024).

The global push to monitor progress towards achieving the UN SDGs has driven the development of new public sector accounting systems designed to capture sustainability-related information. For instance, the UN has provided international guidelines for preparing NVRs and VLRs for the UN High-Level Political Forum on Sustainable Development and the United Nations Department of Economic and Social Affairs. SDG reporting has been adopted by many UN member states, including the United Kingdom, Italy, Norway, Germany and Sweden, as a mandatory practice whereby public organisations are required to identify how their performance contributes to or hinders progress in terms of the SDGs (Manes-Rossi, 2024). However, SDG budgeting remains voluntary in most European countries, meaning that it has mainly been adopted by frontrunner local governments in what can be described as a 'budgeting pilot' rather than a standardised practice. Only Norway has mandated that its local governments produce SDG budgets. Neither specific assurance nor audit of SDG reports or budgets is required in most UN member states at the time of writing (i.e. 2025) (Manes-Rossi, 2024). Thus, data collection, aggregation and reporting systems in the public sector concerning various SDG themes across different countries can be inconsistent or even absent (Kaur et al., 2025).

Despite these developments, accounting researchers have been slow to recognise the full significance of the SDGs for accounting policy and practice, which means that research in this area remains limited (Bebbington & Unerman, 2020). Currently, the indicators and measures for tracking the SDGs proposed by the UN make little reference to accounting information, being mostly based on national-level statistics (Cohen et al., 2023; Manes-Rossi, 2024). In their study on the SDGs in the financial accounting and management of European cities, Cohen et al. (2023) reveal how the SDGs are rarely translated into accounting terms and how considerations of

the SDGs are often decoupled from financial decision-making. While measuring, monitoring and controlling areas covered by the SDGs, such as biodiversity, circular economy and climate change, have been discussed outside the accounting research community, these aspects have only recently started to gain attention in mainstream accounting journals (Marrone et al., 2020). Accounting for sustainable development through the SDGs has thus remained a minor topic, although it is rapidly gaining more attention inside the accounting community. This dissertation illustrates the growing academic interest in the SDGs within public sector accounting, as three of its constituent articles have been published in special issues dedicated to SDG-related themes.

Across scholarly disciplines, the SDGs have been criticised for embedding multiple divergent, vague, and conflicting conceptualisations of sustainability within a single framework (Arora-Jonsson, 2023). Critics argue that the SDGs appear indifferent to historical inequalities and overlook the complex interlinkages and trade-offs between goals. They also highlight a fixation on economic growth (Arora-Jonsson, 2023), alongside a neglect of local heritages, cultures, and the welfare of non-human animals (Herdoiza et al., 2024). While research on accounting for the SDGs in the public sector remains scant, the accounting research community has provided important critical insights into how the SDGs are integrated into accounting practices in the public sector. For example, critical accounting research has shown how actors often approach the SDGs by identifying the goals most relevant to their operations, which can lead to the prioritisation of the economic and social dimensions of sustainability while neglecting goals crucial to the long-term viability of the natural environment, such as SDG 14 (life below water) and SDG 15 (life on land) (Bebbington & Unerman, 2020). All 17 SDGs are presented as equally important, while prior research clearly shows that the carrying capacity of the Earth should be a priority, given that it is a necessary precondition for both societal well-being and a functioning economy (Rockström et al., 2024).

Concerns have also been raised about the selective use of the SDG framework. Accounting research has shown how actors tend to repurpose existing data to account for the SDGs. For instance, Sobkowiak et al. (2020) note that data initially gathered for different purposes were reformatted to assess the United Kingdom's performance in terms of the SDG biodiversity indicators. This resulted in a compromise between using readily available data that were originally intended for other calculations and data ideally suited to evaluating performance against the SDG indicators. Similarly, in the context of developing accounts for local governance, Brorström (2021) observes that efforts to adapt to existing systems in a broadly

effective way often reinforced the very structures that were originally questioned. In practice, this meant that, when sustainability accounts were integrated into organisational decision-making, ambitious sustainability objectives were often overshadowed by the prevailing financial and administrative controls embedded in existing institutional frameworks.

Research has shown that, when public sector organisations adopt frameworks such as the GRI, these tools are often operationalised in ways that prioritise compliance and reporting over substantive organisational change (Ball & Guthrie, 2003; Guthrie & Farneti, 2008). This can result in sustainability being interpreted through a narrow, managerial lens, where the focus is on meeting reporting requirements rather than on pursuing transformative sustainability outcomes. Similar criticisms have been raised regarding the adoption of the SDGs, where the emphasis on measurable indicators and standardised reporting may overshadow more ambitious or context-specific sustainability objectives. Such a focus can also shape and potentially narrow how the actors within organisations come to understand and interpret sustainability. For example, Vinnari (2023, as cited in Grossi et al., 2023, p. 21), states that 'What troubles me as a critical scholar is that many public sector organisations adopt the SDGs in an unquestioning manner, without considering their socially and politically constructed nature or their top-down, one-size-fits-all mentality'.

Building on these concerns, the accounting research has more broadly discussed the limitations of accounting as a governance technology, particularly in relation to its capacity to produce relevant and meaningful depictions of sustainability (e.g. Bebbington et al., 2017; Gray, 2006; Manes-Rossi, 2024). In addition to the selective use of indicators and the tendency to not question the politically constructed and sometimes inconsistent representations of sustainability within the SDG framework, scholars have questioned whether making sustainability more measurable actually contributes to sustainable development and how fit-for-purpose such accounts truly are (e.g. Manes-Rossi, 2024). Bebbington et al. (2017) problematise the ability of accounting frameworks, tools, models and methods to account for sustainability due to the complex, emergent and ever-changing nature of multiple interwoven societal problems:

> Conventional accounting seems most suited to clearly defined objects, linear cause-effect relationships, single outcomes, consensus over valuation protocols and the presence of information systems. In contrast, sustainable development is a radical transformative programme, rather than a discrete object or entity. (Un)sustainability has also been conceptualised as an

> emergent characteristic of inter-locking social, environmental and economic systems (p. 27).

Similarly, Kaur et al. (2025) observe that the diversity of both existing and emerging practices aimed at achieving the SDGs, the multi-level nature of the required actions, the involvement of numerous actors with divergent goals, the contextual influences and the inherent complexity of societal and environmental challenges contribute to what they describe as the 'everything, everywhere, all at once' phenomenon. This complexity makes it difficult to account for sustainability in a coherent and systematic way. Kaur et al. (2025) further emphasise the challenges associated with collecting comprehensive SDG-related data in the public sector, given the vast scale of such operations. Aggregating data across public sector organisations is complicated by the hybrid nature of policy programmes and the plurality of values and interpretations in terms of sustainability—even within the public sector itself. When individual organisational units autonomously select focus areas based on their specific mandates and sectoral priorities, and when they prioritise the SDGs accordingly, the resulting data are often incommensurable and inconsistent (Vakkuri et al., 2023). As Kaur et al. (2025) note, 'departmental and professional silos can lead to disjointed initiatives in the hope of improving performance for one SDG theme but potentially at the expense of another' (p. 139).

Despite these challenges, the ongoing stagnation of global progress towards the SDGs and persistent challenges in relation to their implementation (OECD, 2024), the goals continue to significantly shape how organisations across sectors conceptualise, measure, assess and pursue long-term sustainability. In the public sector, the SDGs have become a central reference point for strategic planning, performance measurement and accountability frameworks, despite their integration into accounting and management practices remaining a complex endeavour. The enduring and profound influence of the SDGs underscores the critical importance of designing accounting practices that support sustainable development. By continually refining how sustainability accounts are produced, used, and integrated into the everyday management of public sector organisations and public governance, these organisations can harness their potential to drive meaningful change.

4 THEORETICAL PERSPECTIVES

This dissertation is grounded in practice-oriented institutionalism (e.g., Smets et al., 2017). Moreover, it draws on the institutional logics approach and the concept of institutional work for its core theoretical frameworks. The dissertation focuses on institutional hybridity as a lens for analysis. This chapter begins by conceptualising accounting as an institutional practice (Section 4.1). It continues by reviewing key developments in institutional theory, linking them to the accounting research (Section 4.2). This chapter then introduces the institutional logics approach, explores accounting as a hybrid practice and examines how hybridity shapes accounting practices (Section 4.3). Finally, this chapter discusses how actors engage in institutional work to shape, sustain and transform legitimate patterns of activity. Through such efforts, actors challenge and reconfigure the assumptions, values, beliefs and rules that organise accounting practices, thereby contributing to practice change (Section 4.4).

4.1 Accounting as institutional practice

Accounting has traditionally been portrayed as a functionalist process whereby individuals seek complete and accurate information that objectively represents reality, evaluate that information rationally and make decisions accordingly. In other words, accounting is customarily viewed as a rational and deliberate form of human activity (Higgins & Larrigana, 2014). However, a growing body of literature demonstrates that rational choice theory has shortcomings as a descriptive model of human behaviour (e.g. Jones, 1999; Urbina & Ruiz-Villaverde, 2019). Seminal works of critical accounting research argue that accounts, similar to all forms of human knowledge, are socially constructed (Chua, 1986; Hines, 1988; Hopwood, 1987). They are shaped by specific worldviews, ideologies, beliefs and values. Thus, rather than offering objective and neutral representations of reality, accounts selectively illuminate certain aspects while leaving others unexamined or unaccounted for (Hines, 1988).

Building on this, scholars have shown that the rationalities guiding accounting practices are shaped by the constellation of institutional and social dynamics present in contexts where accounting and accountability are practiced and enacted (Hopwood, 1987). Hence, accounting and accountability are best understood as institutional practices embedded in broader social, cultural and political environments and realities (e.g. Carruthers, 1995; Hopwood & Miller, 1994; Modell, 2009, 2022; Scapens, 1994). Actors produce and use accounts not only to generate accurate information for decision-making purposes but also to comply with established behavioural norms and societal expectations (Higgins & Larrigana, 2014). While complying with established patterns, accounting is involved in reproducing and shaping its own context. By interpreting reality, accounts do not merely reflect the world—they actively participate in constructing social realities and shaping social orders (Hines, 1988).

Institutionalist inquiry into accounting seeks to understand how societal dynamics are related to the production of knowledge and how controlling and planning actions are shaped, mediated and channelled by institutional environments (Hoffman, 1999). While scholars often refer to 'institutional theory', the term 'institutional theorising' better captures the multidisciplinary and evolving nature of research into how institutions matter in terms of organising social life (Glynn & D'Aunno, 2023). Central to institutional theorising is the idea that actors are embedded in institutional fields that shape the frames, scripts and situations constituting institutions, which in turn influence conformity to isomorphic pressures and potential for change (Glynn & D'Aunno, 2023). Institutions are commonly understood as established structures, norms and rules that shape social behaviours and interactions, 'infused with value beyond the technical requirements of the task at hand' (Selznick, 1957, p.17; Zucker, 1987). The concept of the 'institutional field' refers to groups of actors sharing common meanings, norms and rules within a specific domain (DiMaggio & Powell, 1983, 1991).

Much of the early work on institutional theorising has focused on how macro-level structures influence meso- and micro-level agency. For example, Meyer and Rowan's (1977) work on 'rational myths' highlights how organisations conform to external, field-level pressures to achieve legitimacy, even at the expense of efficiency. The early 'cognitive turn' scholarship (David et al., 2019) has explored how rationalised elements are incorporated into organisational practices to maintain legitimacy in the eyes of external audiences (Carruthers, 1995). According to institutional theory, legitimacy is understood not as a resource to be acquired but as conformity to broader societal norms and expectations (Modell, 2022; Scott, 2001). The accounting

research has widely adopted this sense of legitimacy as a core theoretical concept and used it to explain how organisations adopt account-giving behaviours in response to institutional pressures and how the need to rationalise and legitimise actions shapes accounting practices (e.g. Deegan, 2014; Tilling, 2004). For instance, Burchell et al. (1980) describe accounting as a 'rationalising machine' that legitimises actions against socially constructed norms and values, while Scapens (1994) critiques the neoclassical economic underpinnings of management accounting, conceptualising accounting practices as institutionalised routines that reproduce and legitimise organisational behaviour.

The 'new institutionalism' that emerged in the 1980s and 1990s brought a more unified perspective to organisational analysis, emphasising how actors conform to higher-level structures to gain legitimacy, access resources and maintain their social license to operate (Glynn & D'Aunno, 2023). DiMaggio and Powell's (1983) seminal work on institutional isomorphism describes how organisations become increasingly similar due to three types of pressures—namely, coercive pressure (regulatory), mimetic pressure (imitation) and normative pressure (professional standards). These pressures are often evident in accounting, where practices become standardised across organisations due to regulatory requirements, the imitation of industry leaders and the influence of professional education and networks. Ultimately, isomorphic pressures drive the organisations in a given field to resemble one another, reinforcing the notion that conformity to institutional norms is key to achieving organisational legitimacy.

While institutional structures are widely recognised as shaping agency in significant ways, institutional theorising is not confined to exploring how institutions determine the organisation of society. In fact, a central concept in terms of institutional theorising is *embedded agency*—that is, the idea that while actors' behaviours are shaped by existing institutional structures, they also have the capacity to influence and change those very structures (Glynn & D'Aunno, 2023). This duality has deep roots. Early institutional research explored how individual behaviours and interactions form the basis for institutions, highlighting the interdependence between individuals and social structures (Cooley, 1902; Hughes, 1936). These foundational works laid the groundwork for later theorising by emphasising the importance of shared meanings, durable norms and standardised behaviours in creating social order (Glynn & D'Aunno, 2023). For example, Durkheim (1901) examines the role of cultural systems, while Cooley (1902) focuses on the role of habitual behaviour in shaping human agency.

In the 21st century, institutional theorising has increasingly sought to bridge the gap between different levels of analysis and to recognise the interconnectedness of structure and agency. On the one hand, modern institutional theorising focuses on how higher-level structures shape the behaviour of actors, while on the other hand, it highlights the capacity of actors to drive institutional change (Glynn & D'Aunno, 2023). This shift has extended the field's focus beyond institutional isomorphism, sparking renewed interest in institutional plurality, heterogeneity and the microfoundations of agency (David et al., 2019; Greenwood et al., 2011). As a result, the institutional scholarship has rapidly expanded and diversified, exploring how institutions constrain action and how actors can transform their institutional environments (Glynn & D'Aunno, 2023). In the accounting research, institutional theory has become a central lens for understanding both the stability and changeability of accounting practices (Modell, 2022). This expansion of scope has enabled accounting researchers to engage more deeply with questions of agency, power, and transformation within the reciprocal relationship between accounting practices and their institutional contexts, reshaping how accounting is understood and studied (Burns & Scapens, 2000; Modell, 2009, 2022).

4.2 Multiple institutional logics shaping accounting practices

While earlier institutional theories often focused on isomorphism, more recent theorisations employing institutional logics as a theoretical lens have shifted attention towards institutional diversity and heterogeneity (Glynn & D'Aunno, 2023). The institutional logic perspective, which was originally developed by Friedland and Alford (1991), views society as an inter-institutional system composed of distinct institutional orders—such as the market, state, family, religion and profession—each characterised by a central logic. These logics consist of both material practices and symbolic systems that define the organising principles and guide the behaviour of organisations and individuals within the institutional orders of society (Friedland & Alford, 1991, p. 248). Institutional logics are not only symbolically and organisationally grounded but also politically defended and constrained by technical and material realities; thus, they are shaped by specific historical contingencies (Friedland & Alford, 1991, pp. 248–249).

The institutional logic perspective draws attention to the dynamic relationships among institutional orders, the organisations embedded within them and the

individuals who operate in those organisations. In this framework, institutional logics are commonly defined as 'socially constructed patterns of symbols and material practices, assumptions, values, beliefs, and rules by which individuals and organisations produce and reproduce their material subsistence, organise time and space, and provide meaning to their social reality' (Thornton & Ocasio, 1999, p. 804). Each logic is anchored in distinct sources of authority and legitimacy, which shape organisational strategies, norms and focuses of attention (Thornton et al., 2012). They represent identifiable and enduring patterns that can both enable and constrain human agency in different institutional settings (Lounsbury et al., 2021).

According to Friedland et al. (2014, p. 7), 'an institutional logic is an analytic troika of object, practice, and subject linked together through dually ordered systems of articulations', where the elements are co-constitutive and defined by their relation to one another. Here, the subject refers to the identity that guides practices and gives meaning to objects, while objects condition practices and subjects. Moreover, practices are viewed as material enactments of institutional logics (Jones et al., 2013; Sahlin & Wedlin, 2008), which are anchored, affected and oriented through objects (Friedland et al., 2014). While the common definition of institutional logic (Friedland et al., 2014) describes logics as material practices, subsequent works often describe institutional logics as 'rules of the game' that are manifested in the way 'the game is played' rather than in the game itself. For example, according to Friedland and Arjaliès (2021), 'institutional logics do not seek an account of individual practices, but the grammars of practice available to practitioners' (p. 47). They 'inject bundles of otherwise trivial activities with order and meaning, turning them into a recognizable and legitimate practice' (Smets et al., 2017, p. 373) and are thus constitutive, albeit not equal, to practices.

From its inception, the institutional logics approach has emphasised the interaction of logics across different levels of society. While each institutional order embodies its own core logic, a key tenet of this approach is that these logics do not operate in isolation; rather, they interact and exert influence beyond their original domains (Friedland & Alford, 1991). Friedland and Alford (1991) highlight the *nested* nature of these levels of analysis, where 'higher-level' institutional logics—such as those of the market, state or religion—serve as foundational frameworks that shape action and meaning at more localised levels (Thornton & Ocasio, 2008). At the same time, 'lower-level' logics are influenced by specific local contexts and the actions of both individual and organisational actors (Greenwood et al., 2011), highlighting the reciprocal interactions among macro-level institutional structures and micro-level agency. Institutional logics, therefore, offer 'practice-theoretic approach to the study

of institutional heterogeneity that directs attention to how tension and conflict between and among logics provide a key motor for ongoing institutional variation and change' (Lounsbury et al., 2021, p. 263).

As actors often operate across multiple institutional fields and social domains—and as organisational fields can be shaped by external logics, such as those introduced via government reforms—they frequently face the challenge of navigating multiple, sometimes conflicting, institutional logics. This requires management of the tensions that arise due to incompatible normative expectations (Greenwood et al., 2011; Skelcher & Smith, 2015, p. 437). Research has revealed how multiple logics can be incorporated into a practice and how practices evolve over time as new and alternative logics are introduced (e.g. Greenwood & Suddaby, 2006; Thornton et al., 2015). Furthermore, actors can respond to them in various ways (e.g., Besharov & Smith, 2014; Greenwood et al., 2011; Pache & Thornton, 2020; Skelcher & Smith, 2015).

In the accounting field, scholars have examined how organisations respond to conflicting demands when two or more institutional logics converge in shaping accounting practices, particularly in the context of societal reforms that blend different logics (e.g. Modell, 2003; Østergren, 2006; Siti-Nabiha & Scapens, 2005). This strand of research has also highlighted the transformation of the accounting profession itself as it adapts to multiple, sometimes competing, institutional influences (Thornton et al., 2015). For example, Greenwood and Suddaby (2006) examine how institutional entrepreneurship has enabled the adoption of new organisational forms in Big Five accounting firms (Deloitte, PwC, Ernst & Young, KPMG and BDO International). The institutional logics perspective has thus become a key lens for studying how accounting practices evolve and change. This has sparked interest in institutional hybridity—that is, institutional arrangements incorporating multiple, sometimes conflicting, institutional logics in their structures and practices. The next section focuses on the notion of institutional hybridity as a specific focus of institutional theorising and introduces a practice-oriented approach for theorising hybridity in accounting.

4.3 Institutional hybridity as a theoretical focus

Institutional hybridity is a multi-dimensional and fluid concept that can be examined at various levels of analysis (Bracci, 2016; Johanson & Vakkuri, 2017; Vakkuri et al.,

2021). Hybridity generally refers to ‘new phenomena produced out of two or more elements normally found separately’ (Miller et al., 2008, p. 943), such as organisational identities, forms, rationales (Battilana et al., 2017) or governance mechanisms (Johanson & Vakkuri, 2017). Studies that employ institutional hybridity as a central theoretical concept generally explore how and why diverse institutional elements interact, as well as what implications these interactions have for actors and society (Johanson & Vakkuri, 2017). Theoretical work often focuses on the coexistence and interaction of multiple institutional logics and on situations of jurisdictional overlap in organisational settings or governance arrangements (Pache & Thornton, 2020; Reay & Jones, 2016).

In this line of administrative and organisational research, hybridisation is commonly understood as the process by which actors transition from operating under a single institutional logic to navigating and incorporating multiple logics within structural arrangements or organisational practices. This process may lead to the emergence of a new, integrated or blended ‘hybrid’ logic or to the coexistence of distinct logics that can sometimes be complementary but sometimes competing, contrasting or conflicting (e.g. Besharov & Smith, 2014; Pache & Thornton, 2020; Skelcher & Smith, 2015). The literature demonstrates that hybridity can, in practice, take many forms, given that actors may respond to the presence of multiple institutional logics in various ways (e.g. Greenwood et al., 2011; Min, 2022; Pache & Thornton, 2020). As a result, the consequences of hybridity for the involved actors and society can vary significantly, ranging from new and innovative ways to create public value to problematic and conflictual arrangements that drift from their original missions (Battilana et al., 2017; Johanson & Vakkuri, 2017).

Empirically, hybridity often refers to structures and entities, such as hybrid organisations or governance arrangements, formed by actors from different sectors (Battilana et al., 2017; Besharov & Smith, 2012), including public–private partnerships, outsourced service models, semi-independent agencies, user-governed public services, collaborative governance arrangements and multistakeholder platforms, social enterprises and cross-sector networks (Besharov & Smith, 2012; Johanson & Vakkuri, 2017; Skelcher & Smith, 2015). An organisation that ‘incorporates features from both public and private forms of institutional action […] is regarded as a hybrid organisation’ (Johanson & Vakkuri, 2017, p. 45). While much research has focused on hybrid governance and organising, it is important to note that institutional logics and their interactions are not limited to organisational structures but can transcend structural boundaries (Johanson & Vakkuri, 2017; Miller et al., 2008). Hybridisation of the public sector, broadly speaking, relates to increasing

hybridity also in this structural sense, where governance arrangements and public organisations increasingly incorporate multiple logics in public service provision and policy implementation.

Recent studies have shifted away from viewing hybridity as a static or binary condition, embracing a more pluralistic and practice-oriented perspective on interactions across societal domains (Pache & Thornton, 2020; Smets et al., 2017). By situating social practice at the centre of inquiry, these approaches provide a fresh lens for understanding hybridity as an institutional phenomenon. This perspective is particularly relevant to the accounting scholarship, which increasingly recognises accounting as not only institutional but an institutionally hybrid practice (Miller et al., 2008; Thomson et al., 2014) shaped by the interplay of multiple institutional logics. These logics influence not only technical activities—such as recording, monitoring, measuring, planning, controlling and accountability—but also the underlying values, norms, sources of authority and notions of legitimacy in the accounting profession (Golyagina & Valuckas, 2020; Kurunmäki, 2004). As Miller et al. (2008) observe:

> For accounting, we suggest, is constantly engaged in a dual hybridisation process: seeking to make visible and calculable the hybrids that it encounters, while at the same time hybridising itself through encounters with a range of other practices and disciplines. Indeed, accounting is itself a hybrid that was formed and reformed at the margins of other practices and disciplines (p. 942).

In other words, accounting practices both identify and make sense of hybrid entities by translating their complex, multifaceted realities into quantifiable and understandable forms (Miller et al., 2008). At the same time, accounting itself is transformed via its encounters with other practices and disciplines, continually adapting to and reflecting the hybridity present in social policies and evolving systems of public governance (Johanson & Vakkuri, 2025).

Empirical research supports this view, with studies showing that local responses to institutional logics influence the development of new accounting practices, the integration of accounting information into organisational routines and the use of accounts in managerial decision-making (Ahrens & Ferry, 2022; Gisch et al., 2021; Guerreiro et al., 2012; Imtiaz Ferdous et al., 2019; Thornton et al., 2005). Accounting practices also serve as key mechanisms by which new institutional logics enter organisations, particularly during public sector reforms (Grossi et al., 2020; Hyvönen et al., 2009). Moreover, new accounting and management controls can help organisations to balance and negotiate the often-conflicting objectives of different logics (Järvinen, 2016; Weichselberger & Lagström, 2022). In summary, accounting

practices both reflect and institutionalise hybridity in society while becoming hybrid themselves via the interplay of multiple institutional logics (Miller et al., 2008).

4.4 Institutional work and practice change

As Smets et al. (2017) argue, institutional practices, such as accounting, are situated and negotiated in everyday settings. Hence, actors are not only subject to prevalent logics but also have 'the capacity to conceptualize and act upon alternative views of rationality' (Thornton et al., 2012, p. 7). In institutional theory, activities aimed at maintaining, changing or fundamentally disrupting practices and their underlying logics are commonly referred to as institutional work. Lawrence and Suddaby (2006) define institutional work as 'purposive action […] aimed at creating, maintaining and disrupting institutions' (p. 215). However, such work is not always purposive in the sense of directly targeting institutions or the macro-social order; rather, it is intentional in that it reflects an iterative and projective form of agency.

The level and object of actors' intent may vary. Often, actors are more concerned with managing everyday tasks and reducing complexity by adapting practices to balance the interests of different stakeholders (Raaijmakers et al., 2014) than with consciously shaping the broader institutional order (Smets et al., 2017). Moreover, as institutional change is 'always conditioned, albeit not determined, by pre-existing institutions' and their logics (Modell, 2022, p. 35), any attempt at maintenance or change can have unintended consequences. Thus, institutional work is best understood as a set of activities, rather than as their ultimate outcomes (Lawrence et al., 2011). Furthermore, the intentions behind institutional work are not always clearly theorised (Modell, 2022). Combining the notion with institutional logic(s) helps overcome these limitations by making intent explicit.

Prior studies have introduced the concept of institutional work with institutional logics in an effort to understand how the constellations and prioritisations of institutional logics that inform practices are enacted, maintained and transformed (Silvola & Vinnari, 2021; Smets et al., 2017). The maintenance and renewal of practices occur not only via repetition and incremental changes in everyday routines but also through deliberate efforts by actors to shape or challenge the established ways of doing things (Smets et al., 2017). On the one hand, actors may work to preserve the underlying assumptions, values, beliefs, norms, rules and material elements that sustain existing practices in a given field. On the other hand, they may

actively seek to disrupt such routines and introduce new ideas, values and modes of action. This can be used to illustrate how actors enact and respond to multiple institutional logics via intentional engagement, how clashes between logics create opportunities for change and renewal that actors can leverage (Skelcher & Smith, 2015) and how actors must skilfully navigate the specific demands and nuances of each situation to perform their work effectively (Smets et al., 2017). If institutional logics are the 'rules of the game', institutional work can be perceived as setting up the field or negotiating the rules.

Embracing the concept of institutional work and the closely related concept of institutional entrepreneurship, studies in the accounting field have investigated the institutionalisation of new accounting practices, such as economic value added (Chiwamit et al., 2014), new management controls (Cruz et al., 2009), enterprise risk management accounts (Hayne & Free, 2014), sustainability reporting (Farooq & de Villiers, 2019) and sustainability assurance (Silvola & Vinnari, 2021). Recent research has focused on the types of institutional work—political, cultural and technological—required to institutionalise new accounting and audit practices and actively challenge the dominant patterns in the field. This concept is particularly relevant to sustainability accounting, where the values and assumptions often diverge from those of conventional 'business-as-usual' management approaches. Indeed, sustainability accounting can conflict with established views on organisational identity, societal roles and prevailing notions of how value should be created.

A practice-oriented institutionalist inquiry begins from the premise that institutions and their guiding logics are enacted through everyday practices. These practices are both habitual and agentic, serving as focal points for the reproduction, maintenance, and disruption of institutional structures. From this perspective, institutional logics provide the cultural and symbolic frameworks that shape actors' understandings of their actions, motivate behaviour, and infuse practices with meaning. Institutional work, in turn, highlights the intentional efforts of actors to create new grammars of practice or to maintain or disrupt existing ones. Consequently, the development and institutionalisation of sustainability accounting involves not only creating more accurate methods for measuring and tracking organisations' social and environmental impacts, but also critically engaging with the underlying values, assumptions, rules, and beliefs that shape how and why knowledge is produced.

5 RESEARCH DESIGN

5.1 Research philosophy

The basic assumptions of this dissertation rely on the interpretivist and social–constructivist research philosophies that commonly underlie institutional theorising. Social constructivism perceives reality to be socially constructed (e.g. Berger & Luckmann, 1966; Giddens, 1984), while interpretivism aims to comprehend both human behaviour and social phenomena through the lens of subjective interpretation and meaning (Lukka & Modell, 2019; Parker, 2008). Social constructivist ontology and interpretivist epistemology, as interpreted in this dissertation, do not deny the existence of objective reality; rather, they question how we interpret, categorise and give meaning to that reality and obtain knowledge of it. Thus, they challenge the positivist notion of an objective reality external to the observer and propose reality to be socially constructed and shaped by the unique perspectives and lived experiences of individuals in specific social and institutional contexts. This does not mean that social constructs—of which accounting is a prime example—are arbitrary inventions or that they are not real. Rather, we make them real via collective recognition and legitimisation, as well as institutional enforcement, as described in the seminal works of Berger and Luckmann (1966) and Giddens (1984).

Accounting is a socially constructed practice that shapes our understanding of the world and guides our interactions with the environment and society (Hines, 1988). Through accounting, certain issues are highlighted and brought into decision-making arenas, whereas others remain unrecorded and hidden. Accounts influence how we allocate attention, act and distribute resources to specific matters (Hines, 1989). In addition, the process of objectification, as discussed by Berger and Luckmann (1966), is particularly evident in accounting. We often perceive accounts as objective representations of reality, whereas they are really the products of our interpretation of reality, as embedded in taken-for-granted assumptions that shape our understanding of economic and social reality (Hines, 1989). Thus, the adoption of constructivist ontology and interpretivist epistemology in this dissertation facilitates an in-depth understanding of accounting as a social phenomenon that is institutionally embedded.

While constructivism highlights how reality is shaped by social constructs and underscores the significance of context in the formation of knowledge, interpretivism relies on recognition that individuals do not merely react to external stimuli in a deterministic manner but actively interpret and make sense of their surroundings based on subjective understanding of the world and their social contexts (Lukka & Modell, 2019). This renders multiple interpretations of reality possible. Subjective interpretation is influenced by a multitude of factors, including institutionalised assumptions, values, beliefs and ways to act and use language, as well as by personal experiences, ideals and interpretation (Lukka & Modell, 2019). In accounting and management research, the constructivist–interpretivist research philosophy emphasises subjective conceptualisations of professional and organisational identities and values, the meanings that individuals attach to accounts (cf. Parker, 2008) and how individual interpretation is influenced by institutionalised norms, rules, values and material practices in specific accounting contexts. The constructivist–interpretivist approach, therefore, addresses issues often overlooked by dominant positivist accounting scholarship, such as the role of social context, field-level norms, individual and collective meaning-making, and power dynamics (Parker, 2008).

5.2 Research methods

Interpretivism and constructivism, as research philosophies, both demand reflexivity and emphasise the role of the researcher in shaping both the research process and the interpretations derived from it (cf. Lukka & Modell, 2019). The related research approach is typically qualitative and often inductive or abductive, and it relies on research methods, such as ethnography, interview and participant observation, that can facilitate a deeper understanding of the institutional, cultural, organisational and other contextual factors shaping actors' interpretations and behaviours vis-a-vis the phenomena under study.

Table 2 summarises the research methods used in this dissertation, which is based on qualitative research. The data for the articles were collected via literature reviews, interviews, participatory observations and document analysis. All four independent research articles included in this dissertation were based on institutional inquiry (see Chapter 3), although the analytical frameworks employed in the articles varied (see Table 2). The institutional guidelines of Tampere University were followed during the data collection. Data management plans were drafted for Articles I–III, and

informed consent to record, transcribe and use the interview data was obtained from all of the interviewees.

Table 2. Summary of the research methods employed in the articles

Publication	Type of study	Sampling/sample	Data	Analytical frame
Article I. Glocalizing sustainability: How accounting begins for sustainable development goals in city administration	Qualitative multiple case study	Criterion sampling (the six biggest cities in Finland that are part of the Network of Strategic Management of SDGs in Cities)	Interviews (n=19) Participatory observations (n=2) Documents (e.g. VLRs, strategies, annual reports)	Power's (2015) fourfold development schema composed of policy object formation, object elaboration, activity orchestration and practice stabilisation
Article II. Fostering sustainability in local government: The institutional work perspective on the accounting–management nexus	Qualitative field-level study	Criterion sampling (25 largest local governments in Finland, out of which 18 participated)	Interviews (n=44) Participatory observations (n=2)	Institutional work: Cultural, political, and technical institutional work in the deployment of SDG accounts
Article III. Different sustainability endgames: Institutional logics in the performance management of local governments	Qualitative field-level study	Criterion sampling (25 largest local governments in Finland, out of which 18 participated)	Interviews (n=44) Participatory observations (n=2)	Institutional logics approach, pattern matching (cf. Reay & Jones, 2016)
Article IV. Multiple logics in performance management of collaborations for sustainability: An integrative review	Integrative literature review	Peer-reviewed research published in English language (Scopus and Web of Science databases)	104 peer-reviewed journal articles or book chapters	Institutional logics approach, pattern matching (cf. Reay & Jones, 2016)

In Article I, 'Glocalizing sustainability: How accounting begins for sustainable development goals in city administration', a holistic qualitative multiple-case study design was employed to explore how accounting for the SDGs 'begins'. Focusing on six of the largest cities in Finland (Helsinki, Vantaa, Espoo, Tampere, Turku and Oulu), the research utilised semi-structured interviews with key individuals involved in strategic work concerning the SDGs and VLR processes. More specifically, 19 semi-structured interviews with 22 participants identified via snowball sampling were conducted. Participant observations were conducted during two meetings of the

Network of Strategic Management of SDGs in Cities, with detailed notes being taken on all discussions. Additionally, document analysis was conducted using a range of materials—including Voluntary Local Reviews (VLRs) (all available), city strategies (2021–2025; 2022–2025), annual reports (2021 and 2022), budget plans (2023), and other publicly available disclosures—to examine how the SDGs are integrated into city-level reporting and governance. The analysis was holistic, with conclusions drawn from the interviews and documents as a whole, as well as through their cross-case examination, which involved rough coding of the interview transcripts and hermeneutic analysis to iteratively recontextualise the understanding of the data.

Article II, 'Fostering sustainability in local government: The institutional work perspective on the accounting–management nexus', employed a qualitative research approach based on semi-structured interviews to explore how different actors make use of cultural, political and technical institutional work in the deployment of accounting and management practices intended to foster sustainability in local governments. The primary source of empirical data was in-depth interviews conducted with representatives from 18 of the 25 largest local governments in Finland, including branch managers, financial managers, sustainability specialists, strategic managers, ownership and steering representatives and representatives of municipally owned corporations. In total, 46 professionals were interviewed for the study. The interviews were conducted online, either in a group or individual format, and lasted approximately 1−1.5 hours each. All interviews were recorded and transcribed verbatim for analysis. The analysis focused on the different types of institutional work (cultural, political and technical) and the different levels at which it was undertaken (field level, organisational level, sub-organisational level) to facilitate an understanding of their mutually reinforcing and interconnected nature.

Article III, 'Different sustainability endgames: Institutional logics in the performance management of local governments', combined data from Articles I and II to explore how multiple institutional logics shape the construction of sustainability, as a performance object, in local governments. Data obtained from the 46 professionals who were interviewed and from the participatory observations for Article II were re-compiled into a new dataset for Article III. The analysis involved breaking the data down into meaning units and comparing those units with elements of ideal types of institutional logics while also allowing patterns to emerge from the data. Joint data sessions were organised to collectively interpret the data among the authors, discern the logics at play and reconstruct distinct projections of sustainability as a performance object in local governments, as shaped by the interplay of various institutional logics.

In Article IV, ‘Multiple logics in performance management of collaborations for sustainability: An integrative review’, an integrative literature review was conducted to synthesise the available knowledge on how and to what extent multiple institutional logics are integrated into the performance measurement and management of collaborative governance arrangements. An integrative review approach was adopted to synthesize knowledge from diverse communities of practice. Through thematic analysis and the juxtaposition of existing research, this method illuminates new perspectives on the topics under study and highlights gaps in the current literature. The data collection involved systematic searches of the Web of Science and Scopus databases using a broad set of proxy terms for collaborative governance and performance, with the records filtered by title, abstract and keywords, followed by screening based on inclusion criteria emphasising formal collaboration with active non-state-actor participation and exclusion of single sector or purely transactional and contractual arrangements. The initial search yielded over 46,000 results, which were then refined to 728 relevant records. After removing duplicates and screening the abstracts, 104 eligible articles and book chapters were included in the review. The analysis categorised the articles into policy domains using the UN SDG framework and identified the institutional logics guiding the performance management of collaborations in the identified studies through pattern matching. Thematic content analysis was performed to understand how multiple logics were integrated into the performance management practices of the collaborations.

6 SUMMARIES OF THE ARTICLES

This chapter summarises the results of the four articles included in this dissertation. Table 3 provides an overview of the results and contributions of the individual articles and elaborates on the role of each one in answering the research questions that inform this dissertation. The table is followed by individual sections that briefly outline the key points of each independent article.

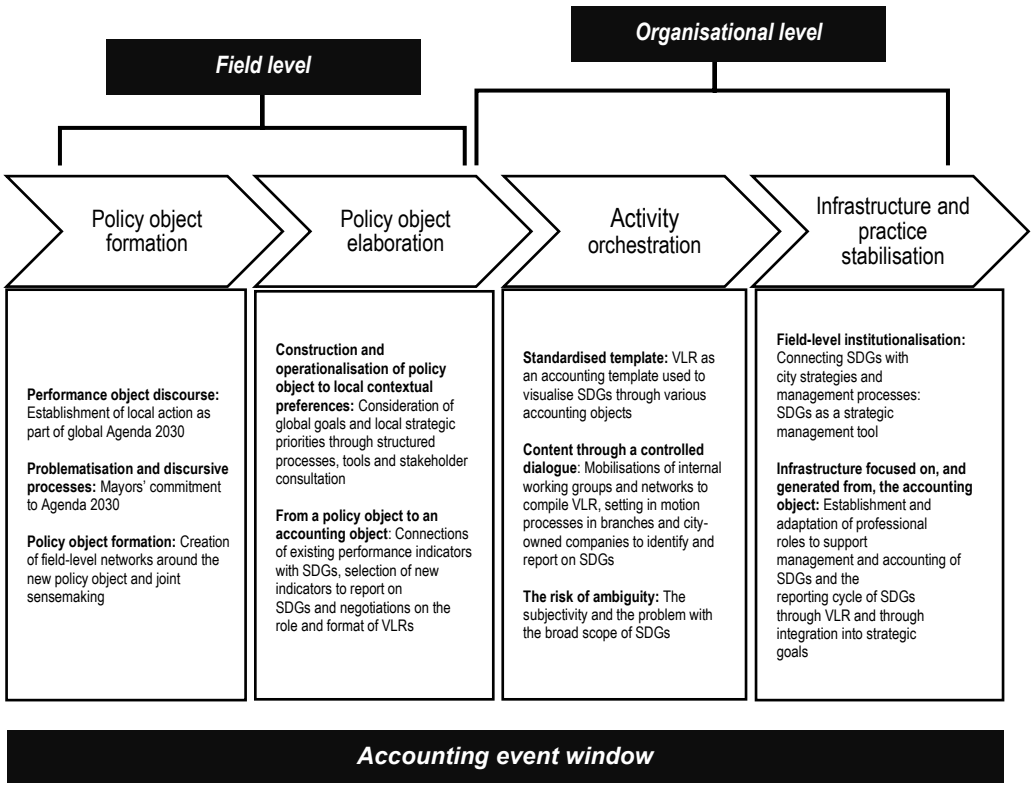
Table 3. Overview of the results and contributions of the articles

Title	**Article I**	**Article II**	**Article III**	**Article IV**
Journal	*Journal of Public Budgeting, Accounting & Financial Management*	*Financial Accountability & Management*	*Public Money & Management*	*Public Administration Review*
Results and implications for theory and practice	The study empirically shows how new SDG accounts are integrated into local government planning and management through a fourfold development schema of policy object formation, object elaboration, activity orchestration and practice stabilisation.	The study highlights the interconnected roles of technical, political and cultural types of institutional work in driving practice change, proposing a cohesive political–technical–cultural nexus framework to explain the underlying institutional dynamics in driving change in accounting practices.	The study shows how various institutional logics influence the construction of sustainability as a performance object in local governments. The study identifies three 'endgames' of the SDGs in local government performance management, each based on different combinations of logics.	The review reveals how performance management in collaborative settings often prioritises sectoral rationales and individual actors' logics. The review integrates insights from different policy domains in terms of how multiple logics can be addressed in governing collaborative performance.
Role in dissertation	The results highlight the diverse institutional influences on the 'making of' SDG accounts and the multi-level processes that shape sustainability as a performance object through the creation of new accounting and management infrastructures.	While the study focuses on the institutionalisation of the SDGs and changes in accounting practices, it also highlights how new practices are integrated into and interpreted through the existing institutional framework.	The study elaborates how sustainability as a performance object is shaped by (constellations of) different institutional logics. This results in differing projections of the performance object.	The results of the review highlight how institutionally grounded performance management practices continue to inform practices even in collaborative settings.

6.1 Article I: How accounting begins for the Sustainable Development Goals

Article I, titled ‘Glocalizing sustainability: How accounting begins for sustainable development goals in city administration’, focuses on how accountability practices form around the SDGs in the six largest cities in Finland. It follows Power’s (2015) fourfold development schema, which is composed of policy object formation, object elaboration, activity orchestration and practice stabilisation. This schema is strongly influenced by institutional thinking and reveals how momentum for accounting change—an ‘accounting event window’—emerges at the intersection of the field and organisational levels, institutionalising new frames of reference and new material practices that posit local actions to be part of the global sustainable development programme. The article elaborates on how sustainability, as a policy object, performance object and accounting object, is socially constructed. Figure 1 captures the interwoven phases of the emergence of new forms of accounting.

Figure 1. Interwoven phases of the emergence of new forms of accounting (adapted from Power [2015]).



Article I explains how the SDGs functioned as an interpretative scheme through which sustainability, as an overarching performance goal for cities, was interpreted as local-level action towards Agenda 2030 gained traction. In the case cities, actors reinterpreted the SDGs as a global and universal performance objective against the local needs, priorities and basic functions of the city. This process constructed a novel understanding of sustainability as a performance object, extending its conceptualisation to encompass not only environmental but also social dimensions and emphasising its role as a starting point and main aim of action for local administration and governance. The VLR, as a (weakly) standardised accounting template, served as a call to action within the cities, bundling together various accounting objects—individual performance indicators—related to the SDGs. As a result of these processes, new social infrastructure was generated as working groups were established, new tools and techniques were put into use, and the SDGs were integrated into strategic management and planning processes.

The results of this study demonstrate how the localisation of the SDGs and their translation into accounting practices were shaped by information availability, organisational structure, institutionalised practices, local political priorities and resource constraints. Accounts were primarily constructed by connecting pre-existing policy objectives and key strategic performance indicators with the SDG framework or external data sources. Furthermore, the interviewees emphasised that, for SDG accounts to support cities in pursuing more sustainable futures, they need to be integrated into strategies and managerial practices and clearly connected with both decision-making and resource allocation. While understanding ‘what is already being done’ to establish a baseline for subsequent work and create strategic targets was considered important, integrating the SDGs with strategic management and planning processes resulted in a drift away from transformative and intergenerational aspects of the SDG programme and resulted in little engagement with the idea that human action needs to fit within planetary boundaries. Thus, there were tensions between local priorities and logics and global goals of Agenda 2030 that characterised the way accounting practices for sustainable development were mobilised in the case cities.

Moreover, the results of this study illustrate how accounting practices for sustainable development are shaped by the complex interplay of field- and organisational-level institutional and social dynamics, which significantly impact how the SDGs are interpreted in local contexts. The study highlights the nature of sustainability as a socially constructed performance object and emphasises the role of accounting as a social infrastructure that builds and maintains a socially

constructed view of what sustainable development stands for, and what meaning accounts serve.

6.2 Article II: Institutional work changing accounting practices in local government

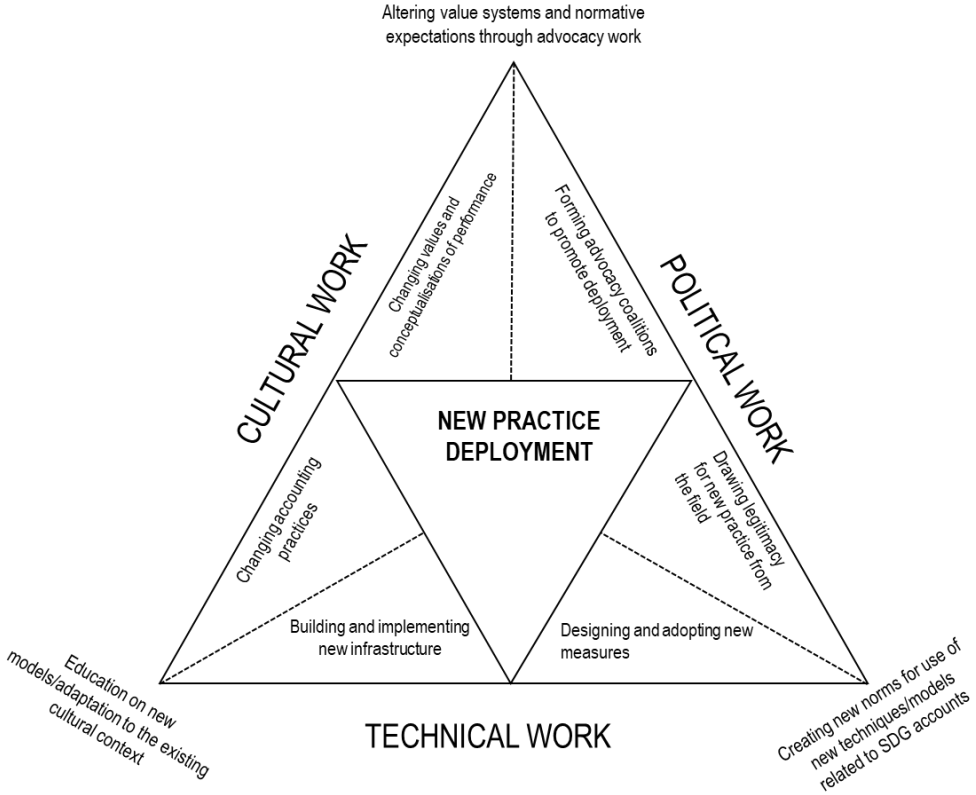
Article II, titled 'Fostering sustainability in local government: The institutional work perspective on the accounting–management nexus', similar to Article I, focuses on the foundations of accounting change. It investigates how actors at the field, organisational and sub-organisational levels perform cultural, political and technical types of institutional work (Perkmann & Spicer, 2008) to institutionalise sustainability and the SDGs as part of the accounting management practices of 18 of the 25 largest local government organisations in Finland. Article II, therefore, adds to the results of Article I and broadens its scope of inquiry. Drawing on the semi-structured interviews with financial managers, sustainability managers, strategic managers and branch managers, this study reveals how intertwined efforts at the field, organisational and sub-organisational levels promoted sustainable development as a new performance objective of local governments and enabled local government organisations to account for their performance in relation to the SDGs.

The key insights derived from this study are captured in the political–technical–cultural nexus of new practice deployment shown in Figure 2. This model is based on the different types of institutional work (Lawrence et al., 2013; Perkmann & Spicer, 2008; Zilber, 2009) and influenced by practice-based institutional change (Smets et al., 2012). The sides of the triangle represent the three types of institutional work (cultural, political and technical), which meet at the ends of the triangle. The captions at the ends display the interconnections of the different types of institutional work, as observed in practice in this study (see Figure 2).

As shown in Figure 2, the technical institutional work focused on creating new tools to support the development, discovery and implementation of SDG-related performance metrics. These SDG tools enabled local governments to evaluate their current systems, align their strategic key performance indicators with the SDGs, identify system gaps and find new metrics as required. The politico-technical institutional work was essential for integrating the new accounts into standard management processes and developing new management infrastructure for organisation-wide deployment. The political work involved mainstreaming

sustainability into local governments' strategic agendas, creating intra-organisational sustainability working groups to mobilise both actors and resources capable of producing new types of accounts and forming interorganisational advocacy coalitions to make the SDGs and VLR process better known in the local government sector. The cultural work was interconnected with the political work, as actors sought to drive change in the existing value systems at both the field and organisational levels and thus to build political momentum for driving sustainability reform in the local government sector and individual local government organisations.

Figure 2. The political–technical–cultural nexus of institutional work in practice change and new practice deployment



The results of Article II highlighted the mutually reinforcing roles and connections among the technical, political, and cultural types of institutional work. While the findings emphasised conscious and intentional efforts at the field, organisational, and

sub-organisational levels to integrate sustainability into accounting management practices, they also revealed that different actors had varying perceptions of sustainability performance and played distinct roles in the institutionalisation process. Furthermore, the records revealed that the Agenda 2030 policy programme and sustainability as a broader societal phenomenon rarely served as the starting point for the production of the SDG accounts, while accounting for sustainable development was influenced by a number of institutional pressures faced by local government organisations. The actors sought, through institutional work, to overcome some of these limitations, for example, by seeking to influence value perceptions, by forming advocacy coalitions and working groups to drive micro-level changes and by making adaptations to fit the SDGs, as a socio-political programme, into the local and institutionally complex accounting contexts.

6.3 Article III: Multiple logics shaping sustainability as a performance object

Article III, 'Different sustainability endgames: Institutional logics in the performance management of local governments', focuses on the institutional logics that inform accounting practices in local governments. It explores how institutional complexity in the form of multiple institutional logics informing public sector accounting practices directly impacts the production of sustainability performance information and considers what kinds of projections of the SDGs emerge as a result. The institutional logics discerned from the data and their implications for performance management are presented in Table 4. Based on the analysis, as a performance object, sustainability was shaped by five institutional logics—namely, market logic, managerial logic, bureaucratic logic, community logic and socio-ecological logic—and their interactions.

The study introduces three different 'endgames'—*sustainability as a brand, strategy* and *raison d'être*—as heuristic tools with which sustainability, as a performance object, can be reflected. They describe the ends—that is, the purposes—of sustainability performance information, rationalising the selection of measures, normative conceptions of the actors who should be on the frontline when accounts on sustainability are produced and ideas concerning whom the information is targeted towards. These characteristics are summarised in Table 3. The three 'endgames' proposed in the article work, as stated, as heuristic constructions, each presenting different assemblages of institutional logics that can be used to illustrate the state of sustainability performance management in both theoretical discussions and empirical research.

Sustainability as a brand is characterised by the dominance of market and managerial logics, where the focus is on both competitiveness and economic viability. Local governments use sustainability performance information primarily for marketing and branding purposes, aiming to showcase sustainability efforts and attract investments. This approach involves labelling pre-existing performance targets with the SDGs and using the tags to highlight the city's progress in terms of sustainable development. In general, information production emphasises efficiency and managerial oversight, and the resulting information is preferably presented in a visual and marketable format, in addition to being commensurable for international comparison. If market and managerial logics are allowed dominance as grammars of

practice, both information production and perceptions of the performance object are geared towards showcasing success stories, actions taken and initiatives that support positive development. This may direct attention away from comprehensive assessment of the economic, social and environmental impacts of the local administrative influence and omit important characteristics of the performance object, such as intra- and intergenerational justice and the need to balance economic activities with the environmental carrying capacity.

Sustainability as a strategy is influenced by managerial, bureaucratic and community logics, emphasising the integration of the SDGs into the strategic management of local governments. This projection emphasises alignment between local strategic objectives and the SDG programme, assigning priority to SDGs that are considered strategically relevant given the challenges, needs and priorities of the local community and the tasks bestowed upon local governments by the state. The SDGs are thus strategic targets to be managed. While this endgame acknowledges the SDGs as strategically important and emphasises their integration into city strategies, as well as the monitoring of their progress as strategic performance indicators, it may inadvertently lead to a narrow focus on selected goals. This selective attention, or cherry-picking, can result in overlooking the interdependencies among the SDGs and neglecting broader systemic challenges, thereby limiting the transformative potential of SDG accounts.

Sustainability as the raison d'être adopts a stronger view of sustainability and advocates for it to be the main aim, guiding value and desired outcome of local government activities—that is, the reason for their existence. More strongly informed by the values, normative prescriptions and sources of legitimacy of action derived from the socio-ecological and community logics, this projection of sustainability as the performance object necessitates a more balanced representation of the SDGs in performance management and reporting. It also advocates for the assessment of the social, economic and ecological impacts of all local government activities, as well as tracking the progress towards higher-level goals such as the mitigation of climate change or biodiversity loss and addressing poverty and inequalities. Hence, as a performance object, sustainability is largely shaped by international policy programmes and their community-driven interpretations at the local level. At the same time, this framing may pose challenges for sustainability performance management in resource-constrained settings and necessitate more extensive public outreach efforts.

In summary, the results of Article III demonstrate how sustainability, as a performance object, can be heavily shaped by multiple institutional logics in complex

local government contexts. While the findings indicate that local government organisations can vary significantly in their interpretations of sustainability, the article focuses on understanding the relevant logics and their interactions in programming field-level normative understandings and shared ideas of SDG accounting practices and, therefore, the formations of a ‘model practice’ in the local government sector in Finland. In the increasingly hybridised local governance landscape, the influence of these interactions is likely to intensify. Thus, the results of Article III highlight the need for a critical analysis of the logics that shape accounting practices in hybridising local government contexts. They unveil how these logics may program performance measurement and management practices in contrasting—and even conflicting—ways.

Table 4. Institutional logics identified in the data

	MARKET LOGIC	MANAGERIAL LOGIC	BUREAUCRACTIC LOGIC	COMMUNITY LOGIC	SOCIO-ECOLOGICAL LOGIC
What is the purpose of performance information?	Increase competitive advantage and aid in economic development and growth	Increase efficiency, value creation, smart resource allocation and competitiveness	Demonstrate transparency on the use of taxpayers' money and fulfilment of the public service mission and government mandates	Ensure sustainable livelihoods and well-being of the local community	Ensure progress and impacts on global social and ecological development goals
On what is the selection of measures based?	Benchmarking against competition	Strategic focus and development areas	Government mandates and regulations, need to demonstrate	Community values/local issues topical and important for citizens	Global sustainable development policies
Who steers the information production?	Managers and public relations/marketing professionals	Managers, governance and advisory boards	Politicians and public servants	Community members together with sustainability working groups	Sustainability coordinators and environmental specialist
What is the preferred style of reporting?	Sustainability information communicated in visual and marketable format to attract investments and newcomers and demonstrate position as a frontrunner	Integration of sustainability information as part of strategic key performance indicators and existing management control systems	Integration of sustainability information into mandatory public accounts	Interactive, easy-to-understand and accessible information	Production of responsibility/sustainability reports following international reporting standards and frameworks (i.e. VLRs)
Information target groups	Investors	Upper management, internal development teams	Political decision-makers and the public	Community members	Stakeholders
Illustrative example from the data	'The VLR report, of course that's kind of, that's our branding material, and the target group for these are more external. The reports are to show how f**king good we are compared to other cities … They are also documents where we market ourselves for the global arena, where we explain [our status] to potential companies for investments.'	'And overall, of course, everything in the management starts from the city strategy. So, the city strategy gives the main goals, also the sustainability goals. And there is, like, the climate goal. And many of our social and well-being goals mentioned. And then these sectoral programmes. Then, they give them more concrete actions and measures for how we are implementing the city strategy.'	'The city must, by municipal law, report where we are at. And those topics are pretty much sustainability issues, but we don't follow them within the SDG but it's the same thing, just put into different words. Every city in Finland must do it—for instance, like where our population is heading, how are schools doing, how healthy are the citizens where we can do better—all of that is already reported every year. We can just add SDG icons to it and then it becomes an SDG report.'	'We look at what citizens want, what the organisation needs, and then we try to find the linkage to the SDGs, so it becomes like – it's probably maybe a longer process, but also it's in a sense of as a municipality, first of all, we need to think what local residents need.'	'SDGs would be integrated throughout the organisation in a cross-cutting way so that when we plan our projects or programmes, we would think about which SDGs it helps to fulfil or what are the impacts on SDGs, plus or minus.'

6.4 Article IV: Multiple logics in the performance management of collaborations for sustainability

Article IV, titled ‘Multiple logics in performance management of collaborations for sustainability: An integrative review’, takes as its point of department the idea that, in the hybridising public sector, cross-sectoral collaborations have become increasingly important in terms of addressing sustainability challenges. However, assessing the performance of collaborative governance arrangements is challenging for both practitioners and scholars due to the institutional hybridity arising from multiple institutional logics. Extant research on collaborative governance has recognised that collaborative settings often involve diverse understandings of what performance entails, how it is produced, and how it should be evaluated and communicated. (Bryson & Crosby, 2006; Bryson et al., 2015; Crosby & Bryson, 2010; Douglas & Ansell, 2021; Lee & Hung, 2022). These differing perspectives complicate performance measurement and management, and give rise to multiple, sometimes contrasting, interpretations of the value of collaboration in advancing sustainable development. Moreover, academic discussions on accounting and performance management in collaborative settings remain fragmented across various communities of practice, each often focused on specific policy domains. As a result, limited attention has been given to how institutionalised conceptions of performance shape the assessment of collaborations, and to how multiple logics might be integrated into the performance management of collaborative governance arrangements.

Based on an integrative review of 104 research articles and book chapters concerning the performance of collaborative governance arrangements, this study reveals how the dominant patterns of institutional logics shape the performance conceptualisations in specific policy domains. The results of this study also demonstrate how empirical research rarely engaged with the broader performance measurement and management frameworks proposed in the collaborative governance literature (e.g., Douglas & Ansell, 2021; Emerson & Nabatchi, 2015). Notably, the concept of hybridity was frequently absent from performance thinking, while sector- or domain-specific logics typically guided approaches to accounting for collaborative value creation. As a consequence, many performance management practices intended to assess the value of collaborative governance were neither truly

collaborative nor reflective of either institutional hybridity or the foundational principles of collaborative value creation.

Furthermore, the study explored how multiple logics can be integrated into the performance measurement and management practices of collaborations. Fragmented insights derived from different domains of practice were reviewed and brought together to provide ideas as to how institutional hybridity can be addressed during (1) the initiation and design phase, in which actors identify performance objectives and design metrics and measurements; (2) the implementation phase, in which systems are set up and tools, models and procedures are selected to collect and process data, including new data collection and information-sharing practices; and (3) the use phase, in which these new tools, models and procedures are used to assess and develop collaboration and communicate performance in order to foster accountability. Based on these insights, practitioners should take the policy problem as a starting point for joint sensemaking, recognise stakeholders' multiple values, performance goals and perceptions, define each actor's role and seek to connect partners' activities with broader policy targets. Furthermore, practitioners should co-develop joint metrics and pay attention to the equity of the outcomes, engage actors in information gathering and support actors in producing data, disseminating results and demonstrating accountability to external stakeholders.

Article IV concludes with three propositions for future research. First, actors must align multiple institutional logics to build consensus on how performance should be measured and managed. This includes tracking value creation across multiple levels and stages, guided by a jointly developed theory of change and a co-constructed accounting system. Future research should apply, refine, and disseminate the multi-level and multi-value frameworks proposed in the collaborative governance literature. Second, research on the performance of collaborations should more explicitly acknowledge institutional hybridity and focus on how actors jointly construct and interpret collaborative performance. This could involve exploring performance dialogues and consensus-building processes that help navigate diverse perspectives. Third, both researchers and practitioners need to recognise that making phenomena measurable and manageable can oversimplify complex realities and reinforce existing power structures. Future studies should be more attentive to the multiple voices and vantage points of different actors, as well as the power asymmetries that shape collaborative dynamics.

The findings of Article IV contribute to and extend the collaborative governance literature, where discussions on accounting in collaborative settings remain limited. Additionally, they offer implications for accounting research, particularly in relation to

accounting for hybridity and within hybrid organisational contexts—an area that has received relatively little attention to date. "In the hybridising public sector, where collaborative arrangements increasingly play a central role in implementing sustainable development policies, effective governance of these initiatives is crucial. However, relying solely on conventional bureaucratic control mechanisms and traditional public sector metrics may fail to capture the full societal value of cross-sectoral collaboration, and stands in contrast to the fundamental principles of collaborative value creation.

7 DISCUSSION

7.1 Theoretical implications

This dissertation advances understanding of accounting for sustainable development as an institutionally embedded practice grounded in shared meanings and understandings, as well as in values, norms and beliefs prevalent in the context in which it is practiced, thereby extending the body of knowledge on institutional accounting. By adopting institutional logics and institutional work as theoretical lenses, this dissertation also extends practice-oriented institutional theorising into the field of accounting (Smets et al., 2017). The four articles included in this dissertation all examine how hybridity in the broader institutional context shapes the development and institutionalisation of sustainability accounting in the public sector. More specifically, the articles demonstrate how accounting for sustainable development evolves in response to the complex, competing and sometimes contradictory institutional logics that characterise the implementation of Agenda 2030 in a hybridising public sector. Furthermore, Articles I and II examine purposeful actions undertaken by actors to institutionalise accounting for sustainable development despite the identified institutional complexity. Collectively, these findings deepen our understanding of the dynamic interplay between the institutional context and accounting practices and provide new perspectives on both hybridity in accounting and accounting in hybrid governance settings (Miller et al., 2008).

Firstly, this dissertation extends the literature on hybridity in accounting (e.g. Grossi et al., 2022; Miller et al., 2008; Thomson et al., 2014; Vakkuri et al., 2021) and the emerging research on accounting for the SDGs (Bebbington et al., 2018; Bebbington & Unerman, 2018, 2020) by examining how Finnish local governments construct and use accounts to monitor progress in relation to the UN SDGs. The findings, particularly those from Articles II and III, demonstrate that SDG accounting practices are continually shaped and transformed by the interplay of multiple, sometimes conflicting, institutional logics and forms of institutional work at the field, organisational and sub-organisational levels. Empirical findings from the interviews, participatory observations and document analysis reveal a diversity of interpretations regarding the SDGs and their relative importance. These varied interpretations reflect

how actors must navigate multiple context-specific demands and conditions (cf. Feldman & Orlikowski, 2011; Howard-Grenville, 2005; Smets et al., 2017) and manage the tensions that arise from competing 'grammars of practice'—that is, divergent normative expectations, values, meanings and rationales shaping what sustainability accounting should be and do, which is particularly evident in Article III.

Second, this dissertation reveals the intricate balance between institutional renewal and maintenance that emerges as public sector organisations attempt to institutionalise sustainability accounting practices. Integrating sustainability accounts into both strategic and operational management is widely recognised—both in the literature (e.g. Guarini et al., 2021; Reed et al., 2015) and by the informants interviewed in Articles I–III—as essential for their institutionalisation. This integration is a critical precondition for sustainability accounts to exert meaningful organisational influence, although prior studies have shown that sustainability ambitions can be impaired by being adapted to fit organisational systems. For example, Brorström (2023) demonstrates how, in Gothenburg, the intent behind and implementation of sustainability strategies were gradually weakened through adaptation to established management practices and performance systems. Similarly, Argento et al. (2025) note that the translation of social sustainability into performance measurement at the city level often diverges from the original political intent. The results of empirical studies conducted in Finland (Articles I–III) extend these critical reflections. When the SDGs are adapted to fit existing management cycles and rendered measurable and calculable, essential elements (e.g. intergenerational justice and ecological limits) often recede, limiting the transformative potential of the accounts.

Third, this dissertation contributes to the understanding of the enabling factors and barriers involved in accounting for the SDGs (Kaur et al., 2025), and it also reinforces and extends previous research on the limitations of accounting in terms of providing meaningful visibility and oversight concerning the SDGs and sustainability in a broader sense (e.g. Bebbington et al., 2018; Kaur et al., 2025; Manes-Rossi, 2024). Adding to the earlier critical notions on accounting for sustainable development (e.g. Bebbington et al., 2018; Grossi et al., 2023; Sobkowiak et al., 2020), this dissertation highlights how institutional barriers can hinder transformative agency and lead to symbolic rather than substantive sustainability accounting practices (Manes-Rossi, 2024), as discussed in Article III in particular. This tendency towards symbolic reporting—or treating the SDGs as part of the city brand rather than engaging in systematic evaluation of progress in relation to these important targets—can lead to misalignments between performance objects, policy objectives and accounting representations (Power, 2015), as discussed in Article I. The results also

reveal how institutionalised conceptions of performance can weaken sustainability ambitions, particularly when the complex concept of sustainable development is reduced to a limited set of easily measurable key performance indicators that require minimal changes to prevailing sectoral and organisational practices and are subordinated to both market and managerial logics (see Article III).

Fourth, while this dissertation shows that accounting practices reflect the hybridity of their broader institutional context and are shaped by multiple, often competing, institutional logics, it is important to note that accounting practices do not simply mirror such developments. As Bebbington et al. (2017) suggest, the SDGs have the potential to mitigate 'the inertia caused by claims of the lack of a generally accepted conceptually coherent definition of sustainable development' (p. 28). The findings from Articles I–III support this view. Indeed, the SDGs seemed to function as a 'shared language' and a future-oriented imaginary that helped the actors to reinforce sustainability as a central performance objective for local governments. SDGs as a shared framework can facilitate institutional change at both the field and organisational levels, enabling actors to navigate complexity and align diverse interests with sustainability goals. Articles I and II, in particular, highlight how actors actively seek to shape their institutional context and alter the collective routines and meanings associated with the generation of sustainability knowledge. In so doing, they aim to build momentum for accounting for sustainable development, both within their own organisations and more broadly across the local government sector, engaging in political, cultural and technical work and pursuing accounts that matter.

This leads to the final reflection on the theoretical contributions of this dissertation—namely, acknowledging the institutional hybridity in sustainability accounting not merely as a contextual imperative to which accounting practices are subjected but as a theoretical lens that enables us to make sense of diverse institutionalised knowledges, performances and actors' varying dispositions towards sustainability policy programmes. In this regard, Article IV demonstrates that accounting and performance management for sustainable development in collaborative governance settings require moving beyond the boundaries of conventional public administration and management. In such contexts, sustainability should be understood as an open performance object that is continuously shaped by and negotiated among the actors with a stake in the issues at hand, rather than as something defined solely via top-down, predefined metrics or conventional accounting frameworks grounded exclusively in managerial, market or bureaucratic public sector logics. This perspective contrasts with approaches that impose fixed definitions of performance or rely solely on established frameworks, methods and

metrics. Instead, the present dissertation advocates for the design of accounting systems and practices that are responsive to the complexities and institutional hybridity of real-world policy problems (Bianchi, 2010; Vakkuri et al., 2021; Vakkuri et al., 2025a, 2025b).

Thus, the results of this dissertation problematise the straightforward technical-led and top-down implementation approach, and they emphasise how practice should seek to 'open up' rather than to 'focus down' on sustainability as a performance objective (Bebbington et al., 2017; Bianchi, 2010) , while also highlighting the need to be more cognisant of how multiple institutional logics shape accounting practices and influence the governance of sustainable development. Realising the Agenda 2030 vision and the SDGs requires the active engagement of a broad spectrum of stakeholders across societal sectors, from governments and local-level public administration to private businesses and civil society actors. Advancing meaningful and substantive sustainability accounting within the evolving and hybridising landscape of public governance and policy requires fostering a collaborative mindset and public engagement, developing context-sensitive practices, and enabling inclusive dialogue. These efforts are essential to bridging the gap between abstract SDG ideals and situated realities, as proposed in Article IV. In this way, accounting can play a vital role in shaping a more sustainable future.

7.2 Practical implications

The findings of this dissertation also offer several important insights for public administration and management practitioners engaged in sustainability accounting. A central challenge in this area concerns how to effectively support the deployment and institutionalisation of sustainability accounting practices so that they can meaningfully inform decision-making and resource allocation and guide actions towards sustainable development (e.g. Bebbington et al., 2017; Cohen et al., 2024; Russell & Thomson, 2008). The results of this dissertation indicate the need for practitioners to more closer reflect on the values, rationales, assumptions, beliefs and rules (both explicit and implicit) that characterise routinised patterns of performance management and reporting, especially in settings in which public value is created through close interactions with private or civic actors.

The results of this dissertation further demonstrate that institutionalising sustainability accounting is not merely a technical exercise but also requires

sustained cultural and political work (Silvola & Vinnari, 2021). Hence, practitioners must actively engage with sectoral rationales, organisational politics, guiding values and both organisational and professional identities to embed new sustainability accounting practices into their organisations. This can be achieved by building internal and external advocacy coalitions, leveraging diverse networks to garner support and participating in the construction of a shared, field-level understanding of the role and relevance of accounting for sustainable development for organisations, the institutional fields they inhabit and society in general. Practitioners who engage in accounting for sustainable development should seek to ensure that the accounts remain true to their original intent and fit-for-purpose. This may require rethinking the ways in which information is produced and committing to more extensive public outreach and stakeholder engagement activities. The value of sustainability accounting depends on practitioners' ability to maintain the original intent of such accounts, ensuring that they continue to provide meaningful information and drive substantive progress towards sustainability goals, while aiding decision-making in their local contexts.

The practical guidance for SDG-related accounting remains limited across UN member states (Kaur et al., 2025; Manes-Rossi, 2024). A central challenge for both policymakers and regulators concerns how to adapt public sector accounting systems so that they meaningfully support the overarching goals of sustainable development (Manes-Rossi, 2024). While much of the debate in this area has focused on the need for greater standardisation and regulation to enhance transparency and accountability, this dissertation identifies a different priority: the capacity of sustainability accounts to facilitate change. In essence, what is needed is not more reporting, but more action. As proposed by Cohen et al. (2023), connecting SDG-related accounting with organisational decision-making and resource allocation—while preserving the spirit of the policy programme—is essential. The commitment of actors to embedding sustainability accounts into strategic management and decision-making processes is critical. Without such integration, even the most accurate and detailed reports risk being disconnected from organisational action and, consequently, may hold limited societal value. Sustainability accounting should not be treated merely as a reporting exercise, but as a tool for enabling meaningful transformation.

7.3 Limitations

As with any research, this dissertation is not without limitations. All of the included articles relied on multiple data sources and methods (interviews, document analysis, participatory observations) to triangulate the data and enhance the validity and reliability of the findings, thereby mitigating the limitations related to relying on a single data source. However, the results presented here still depend upon the collected data. Furthermore, the period in which observations were conducted was limited and may not account for evolving practices and changes in terms of sustainability management over longer periods. Longitudinal studies could provide deeper insights into the progression of sustainability accounting over time.

The use of qualitative methods, such as interviews and document analysis, introduces potential biases and subjectivity when interpreting data. Institutional logics and forms of institutional work are often embedded in routines and taken-for-granted assumptions, rather than explicitly articulated. Hence, they are highly context-dependent and may manifest differently across time and space (Lounsbury et al., 2021), making them difficult to identify directly through interviews, documents or observations (Reay & Jones, 2016). In the included articles, such bias was mitigated via joint reflection and sensemaking sessions. However, despite the individual and collective interpretation and cross-checking throughout the coding process, qualitatively capturing institutional logics and institutional work from empirical data remains a methodological challenge.

Furthermore, Articles I–III were conducted in the Finnish context, which may limit the generalisability of the present findings to other countries with different administrative systems, political structures and cultural contexts. The emphasis on larger municipalities may have overlooked the experiences and practices of smaller or rural local governments, which may face different challenges and have different resources. These limitations highlight the need for further research to explore sustainability accounting and management practices in diverse contexts, including smaller municipalities and different countries, using both qualitative and quantitative methods to enhance the robustness and generalisability of the findings.

In Article IV, the conceptualisations and theoretical perspectives adopted guided the literature review process. Relevant studies may have been omitted due to the search parameters used, even though a number of proxy terms were included when performing the literature search. Moreover, as the institutional logics and institutionalised perceptions of performance were not explicitly stated but rather latent in the reviewed literature, extracting them involved the authors' own reflections on the

literature against the stated theoretical background. Thus, the approach may have introduced subjective bias in terms of how the substance of the analysed studies was categorised and interpreted.

8 CONCLUSIONS

8.1 Concluding remarks

This dissertation has explored how sustainability accounting practices are shaped and institutionalised in the evolving and hybridising context of public policy and governance, which is characterised by multiple institutional logics. Drawing on three empirical articles based on the Finnish local government context and an integrative literature review of international research across various sustainable development policy domains, this dissertation has examined how actors engage in institutional work to embed accounting for sustainable development and how multiple institutional logics influence the production of sustainability performance information in the Finnish local government sector. Together, these contributions deepen our understanding of the dynamic processes by which sustainability becomes embedded in public sector accounting and offer insights for future research and practice in this rapidly developing field.

By situating practice at the centre of the analysis, this dissertation contributes to the development of practice-driven institutionalism in public sector accounting research. The findings enhance our understanding of how the establishment of SDG accounts is shaped by multiple intersecting and competing institutionalised assumptions, values, beliefs and rules that influence decisions about what should be accounted for and how information on sustainable development should be recorded, evaluated, used and communicated. The findings also demonstrate how both individual and collective institutional work can produce, reproduce and transform these meanings, thereby enabling the development and institutionalisation of sustainability accounting practices.

A central theoretical contribution of this dissertation lies in advancing institutional hybridity as more than a contextual condition. Rather, it is employed as a core theoretical lens through which to explore how sustainability performance is socially constructed. This perspective reveals how the interplay of multiple institutional logics influences the aspects of reality that are selected, simplified and converted into measurable forms to manage and govern sustainability. This perspective further emphasises how the social construction of sustainability performance is heavily

influenced by the prevalent institutional logics in a given social context. Furthermore, the results reveal sustainability accounting can also serve as a medium through which organisational values and identities are renegotiated and transformed.

This dissertation invites critical reflection on whether current approaches to sustainability accounting are truly fit for purpose when it comes to addressing the complex, multifaceted, multicentred and multistakeholder challenges of sustainable development. While significant progress had been made as of 2025, the SDG targets remain distant. The present results underscore the need for ongoing critical examination to ensure that sustainability accounting practices genuinely support the creation of a more sustainable future, and advocate for stronger engagement between the fields of public governance and policy and the public sector accounting research community.

8.2 Suggestions for future research

Future research on sustainability accounting in both public and hybrid contexts should consider the intricate social processes and dynamics involved in the initiation, institutionalisation, maintenance and disruption of accounting practices. The perception of organisations as interconnected and interdependent sets of practices implies that altering one practice can have substantial direct and indirect effects on other practices within the same social environment, particularly when those practices become more coherent, clustered and mutually reinforcing (e.g. Gray et al., 2015). Closer scrutiny of how accounting practices interact with other management practices would help researchers to better understand how institutional change unfolds and clarify the role and impact of accounting in related processes.

The type of inquiry suggested may require engagement with reflexive and interpretative ethnography or other immersive methods that situate researchers within the lived experiences of practitioners, elucidating how subtle influences contribute to the maintenance, disruption and renewal of institutions (e.g. Voronov et al., 2022). Working closely with practitioners helps to bridge the gap between theory and practice, enabling researchers to contribute to the design of more robust and context-sensitive accounting frameworks. Thus, the use of interventive and action-based research methods could aid in bridging the gap between research and practice, and such methods could also aid in developing substantial accounting for the SDGs and beyond (Bebbington et al., 2017; Kaur et al., 2025).

Additional research is needed to fully grasp the multifaceted nature of the values, ideals, assumptions, beliefs and material elements that guide the formation and evolution of accounting practices in hybrid governance and policy contexts. The omission of institutional hybridity from both the academic research and the practical development of frameworks, tools and standards for sustainability accounting may significantly hinder the effectiveness of both the accounts produced and the ways in which different actors engage with them (Vakkuri et al., 2023). These issues warrant deeper exploration in future studies.

Several promising concepts could be examined to make sense of the multiple values, rationales and assumptions that converge and combine in increasingly hybrid environments. These concepts include critical dialogic accounting (e.g. Brown & Dillard, 2015; Dillard & Vinnari, 2019), performance dialogues and collaborative performance summits (Douglas & Ansell, 2021) and the notion of accounts and performance measures as boundary objects (cf. Rajala, 2020). At the same time, attention should be paid to issues of power and representation (Ewert & Maggetti, 2016), as well as to the potential role of accounting and accountability in stabilising or destabilising actor relations and managing competing, contradictory or even conflictual values among diverse stakeholders (Grossi et al., 2022).

Given the evolving landscape of public policy and governance, it is essential to examine the interrelationships among accounting, accountability, governance, policy and public management practices (Vakkuri et al., 2021). Moreover, there is a clear need to critically redefine and reassess accounting theories and practices from the perspective of hybridising public governance and to evaluate their suitability for addressing multilateral and multi-actor policy challenges (e.g. Bebbington et al., 2017; Grossi & Argento, 2022; Vakkuri & Grossi, 2024). Accounting practices that monitor societal progress in hybrid governance frameworks can also offer valuable insights into hybridity as a societal phenomenon and guide actors in more effectively promoting sustainable development (e.g. Grossi et al., 2022).

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PUBLICATION I

Glocalizing sustainability: how accounting begins for sustainable development goals in city administration

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Glocalizing sustainability: how accounting begins for sustainable development goals in city administration

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Abstract

Purpose – This study aims to investigate the adoption of the United Nations' Sustainable Development Goals (SDGs) as the new performance perspective in cities. It also aims to understand how accounting for SDGs begins in city administrations by following Power's (2015) fourfold development schema composed of policy object formation, object elaboration, activity orchestration and practice stabilization.

Design/methodology/approach – Focusing on a network of cities coordinated by the Finnish local government association, we analyzed the six largest cities in Finland employing a holistic multiple case study strategy. Our data consisted of Voluntary Local Reviews (VLRs), city strategies, budget plans, financial statements, as well as results of participant observations and semi-structured interviews with key individuals involved in accounting for SDGs.

Findings – We unveiled the SDG framework as an interpretive scheme through which cities glocalized sustainable development as a novel, simultaneously global and local, performance object. Integration of the new accounts in city management is necessary for these accounts to take life in steering the actions. By creating meaningful alignment and the ability to impact managerial practices, SDGs and VLRs have the potential to influence local actions. Our results indicate further institutionalization progress of sustainability as a performance object through SDG-focused work.

Originality/value – While prior research has focused mainly on general factors influencing the integration of the sustainability agenda, this study provides a novel perspective by capturing the process and demonstrating empirically how new accounts on SDGs are introduced and deployed in the strategic planning and management of local governments.

Keywords Agenda2030, SDGs, Sustainable development, Cities, Local governments, Accounting, Management, Voluntary local review

Paper type Research paper

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1. Introduction

In 2015, the United Nations (UN) Member States adopted the global 2030 Agenda for Sustainable Development (Agenda2030) and Sustainable Development Goals (SDGs) to steer global sustainable development from 2016 to 2030. The program includes 17 goals and 169 more specific subtargets. While Agenda2030 is a global program, its practical implementation takes place at the national and local levels. In this study, we are specifically interested in uncovering the role of Agenda2030 in advancing sustainable development in local governments, directing our focus on the internal process of its integration in cities.

At the local level, cities can significantly contribute to achieving SDGs (Guarini *et al.*, 2021) – half of humanity lives in cities, and cities account for 60–80% of the world's energy consumption and 75% of carbon emissions (UNEP, 2022). Cities need to create new accounts to measure, monitor and communicate their progress against the global targets of SDGs and to integrate them into their strategic planning and management (Guarini *et al.*, 2021; Kaur and Lodhia, 2019). By creating new accounts on SDGs, cities can understand their own performance and steer their development toward the implementation of Agenda2030 (Bebbington and Unerman, 2018).

Some studies indicate the significance of populations' demographic and socio-economic characteristics on how strongly local governments take sustainability issues into account (Saha, 2009; Svara *et al.*, 2013). While this is important to acknowledge, affecting the demographic or socio-economic characteristics of local populations seems like an unlikely means of achieving sustainability change for most local governments. However, "[t]he overwhelmingly positive influence of state involvement in local sustainability planning efforts" points out that national (Saha, 2009, p. 46) and, arguably, international, institutional support for sustainability management is critical in inspiring sustainability action in local governments. It is also noted that the valuation (appreciation) of concrete environmentally themed goals in local governments is associated with more sustainability activities (Svara *et al.*, 2013). Our interest is in understanding the process of integrating concrete sustainability goals in local governments.

Leaning heavily on Frank Birkin's thinking, Ball (2004, p. 1031) considers that local governments are a vehicle for advancing sustainability accounting practices and that utilizing this vehicle has the potential to change society – that is, the context businesses operate in and the businesses themselves. Based on this, Ball (pp. 1031–1032) suggests further research focusing on "strategies or co-operation at multiple levels and the development of (say) malleable accounting boundaries, bases on policies, or partnership arrangements cutting across the public and private domains." It could be argued that SDGs are a concept that touches upon all these dimensions.

Guarini *et al.* (2022) describe the integration of SDGs into city strategic planning and management by reflecting on the prior research and through empirical data derived from the strategic plans of Italian cities. They note that sustainability is mainly limited to strategic plans and that there are few or no signs of translating sustainability into operational-level performance indicators (p. 596). Furthermore, they propose further investigations into whether the integration of SDGs affects the existing strategies and management practices or whether this would "mean rethinking existing strategies and management practices through a new lens" (p. 598).

There are existing cases in the literature that explore the integration of novel ideas and the influence of social structures, actors and processes on local government "strategizing," explaining how it can happen through visualizing and calculating stages (Trunova *et al.*, 2022) or thinking infrastructures (Träskman, 2022). These examples suggest that the integration of new ideas, such as sustainability or SDGs, into the interpretive scheme of a local government organization is not as straightforward or clear as Guarini *et al.* (2022) imply

– i.e. either there is a change or there is not. Instead, we consider the change of perceptions as a multilayered social process where change happens gradually in small steps, even though we agree with Guarini *et al.* (2022) that sustainability needs to be included in performance indicators if sustainability is to be included in the interpretive scheme of local government.

To explore how new accounts on SDGs are adopted, introduced and deployed in the strategic planning and management of local governments, this study uses Power's (2015) fourfold development schema of *policy object formation*, *object elaboration*, *activity orchestration* and *practice stabilization* to understand "how accounting begins." Through this schema, our aim is to explore the processes and instruments city administrations utilize in building the understanding about their performance through (and of) SDGs. Thus, our research question is: How does accounting for SDGs *begin* in city administrations? However, we acknowledge, like Power (2015, p. 43), that "accounting never simply begins but has multiple conditions of possibility which align as drivers for change at both field and organization levels."

Following a case study strategy, we intend to provide a description of the integration of the SDG agenda across six municipalities in Finland. In particular, we focus on the ongoing process in the cities to unveil the common patterns of the adoption of Agenda2030 and possible distinctive features in an explorative way.

The six case cities were investigated through the combination of expert interviews and document analysis; they present national and international pacesetters integrating Agenda2030, SDG indicators and Voluntary Local Reviews (VLRs) into their strategic planning and management. The selected cases provide a setting where the integration of SDGs has already been undertaken and currently is at the stage of active adoption. It is worth mentioning that Finland provides an interesting empirical context for the study for at least two reasons. First, local governments have a high degree of autonomy in the Finnish administrative system, thus the formation of the city's strategic priorities and how they are being operationalized from a managerial and organizational perspective differs across municipalities. Second, Finland, along with the other Nordic countries, has become a pioneer in adopting Agenda2030 and SDGs, taking a proactive stance on introducing innovative practices for their implementation and, thus, offering some national institutional support for the cities. Cities in Finland account for over 35% of total government spending and over 15% of the national GDP (OECD/UCLG, 2016), and they provide roughly two-thirds of the public services. The Association of Finnish Municipalities (Kuntaliitto) estimates that the cities and municipalities in Finland are responsible for the implementation of two-thirds of SDGs, and the municipalities' operations connect with all SDGs (Kuntaliitto, 2022).

The study contributes to the existing research on SDGs by showing how SDGs are becoming integrated into city management practices and how this affects the *interpretive scheme* (see Schütz, 1972) – i.e. the perceptions and value emphasis – of the city administration. Through this, our research contributes to the discussion about the construction of institutional performance in the public sector (Modell, 2022). While we do not utilize institutional theory here explicitly, we consider the institutionalization process of a performance perspective. We contribute to Modell's research proposition to connect to the "sociology of valuation" (p. 360) by utilizing Power's (2015) framework to offer "a more holistic and dynamic perspective on how [performance measurement and management] practices are implicated in the shaping of institutional fields over time" (Modell, 2022, p. 353). The study empirically demonstrates how the SDGs were utilized in the cities: to elaborate sustainable development as a performance object, orchestrate actions to account for performance based on collectively construed views, integrate new accounts as part of the managerial practices, and thereby contribute to the formation of the interpretive scheme for the city administration.

The study is structured as follows. The next section provides the background, describing the evolution leading to the adoption of SDGs and VLRs in accounting, strategic planning and management at the local level. The same section also introduces a theoretical fourfold schema that we relate to emerging accounts on sustainability. The third section outlines the research approach and methodology, explaining the cases and institutional context in which they are situated, while the fourth section presents the key findings. The final parts offer the discussion and the conclusion.

2. Background and analytical framework

2.1 Background: cities and performance of sustainable development

Local-level implementation of global sustainable development policy can be traced back to the establishment of the UN Center for Human Settlements in 1976. "Our Common Future," published by the UN in 1987, later known as the "Brundtland Report," which provided a broad definition of sustainable development as a concept that is nowadays widely applied, is described as a landmark event in mainstreaming sustainable development in the global policy arena (Mensah, 2019). The Brundtland Report emphasized local solutions to addressing global problems. At the UN Earth Summit in 1992, 178 countries adopted Agenda21 as a comprehensive plan of action to steer global sustainable development to the year 2000. Agenda21 included the idea of implementation on the local government level. The Millennium Development Goals (MDGs) adopted in 2000 were primarily targeted at halting the most pressing global societal and environmental problems mainly in developing countries by the year 2015.

The 17 SDGs were developed at the UN Conference in 2012 and adopted in 2015 as part of "Transforming our world: the 2030 Agenda for Sustainable Development" at the UN Sustainable Development Summit. Agenda2030 placed a strong emphasis on cities and municipalities from the beginning. The UN-Habitat Program established in 2002, which followed the UN Center for Human Settlements, assumed an active role in the promotion of Agenda2030 at the local level. According to Schraven *et al.* (2021), mirroring these developments, several labels such as "sustainable city," "green city," "eco-city," and "resilient city" have been adopted, shaping the field and emphasizing sustainable development as a policy objective in local governance. Sustainability also became a way to stand out: City sustainability performance is increasingly compared through various indexes and rankings (e.g. Dall, 2020). These parallel and cascading ramifications created a new supranational event window where local sustainable development "acquired normative force and legitimacy as a policy value" (Power, 2015, p. 45), with Agenda2030 receiving far more attention and momentum than its predecessors.

In this regard, Paragraph 89 of Agenda2030 calls on all major groups, including local authorities, to report on their contribution to the implementation of Agenda2030. The UN-Habitat Program was tasked by the General Assembly to create the Global Urban Monitoring Framework (UMF) to track the progress of the SDGs at the local level. The UMF and the support programs by the UN-Habitat Program (e.g. UN-Habitat's SDG Cities Flagship Program) formed the basis of a new sub-national evaluation format, VLRs, which allows local administrations to report their contributions to the implementation of Agenda2030 and promotion of SDGs. Cities and regions can submit their reviews to the UN Department of Economic and Social Affairs (UN DESA). However, VLRs are voluntary and do not currently hold any official status but present a novel tool for cities to understand and demonstrate their progress on SDGs.

Although SDGs have a global character, they offer flexibility in local adoption. However, they do not provide guidance on how the goals relate to one another, which targets should be prioritized, or how trade-offs between different targets should be addressed nor do they

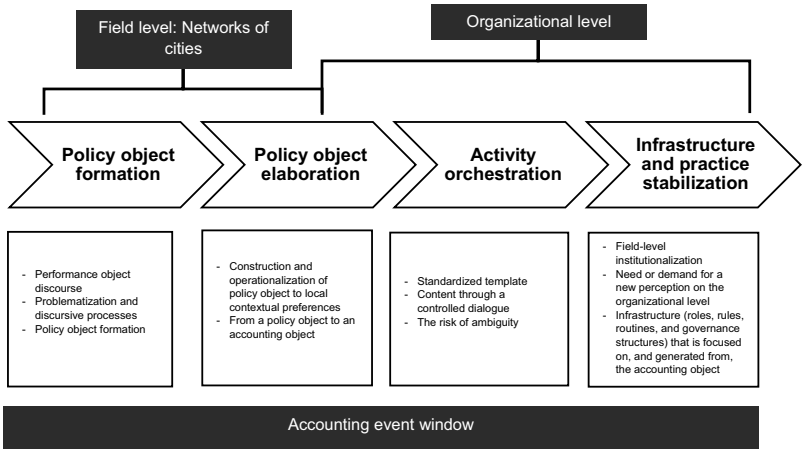
describe change paths or mechanisms (Bebbington and Unerman, 2018). Cities have significant autonomy in determining how they localize, develop and implement SDG targets. SDGs can be used as a point of departure for the formulation of local strategic goals but also as a reference framework to assess the alignment of local strategies with global goals (Guarini *et al.*, 2021). The dynamic interplay between local priorities and SDGs as a global framework can be captured through the concept of glocalization: Being developed at the supranational level, the framework can foster worldwide harmonization and comparability yet reflect both local specificity and international universalities during the adaptation process (cf. Baskerville and Grossi, 2019). Glocalization as a complex metaphor of global processes that intertwine global and local elements together (Drori *et al.*, 2014) highlights the idea of *thinking globally*, but *acting locally*, and it is promoted in sustainable development policy discourse. In the early phases of the development of novel accounts, at the local level "groups cooperating without consensus go back and forth between both forms of object . . . vague and specific" (Star, 2010, p. 605; see Power, 2015, p. 44). In the case of Agenda2030, this also describes the interaction between the global and local as groups consider the various dimensions of the performance object. This is further elaborated in the Section 2.2.

2.2 Analytical framework: how accounting begins – de-constructing the development schema

Power (2015) has introduced a fourfold development schema of *policy object formation*, *object elaboration*, *activity orchestration* and *practice stabilization* to "unfold the conditions under which new accounting systems begin and the unfolding dynamics by which vague performance objects become operational." These four phases forming the "accounting event window," in which new accountings can emerge, are not only sequential and cumulative, but interdependent and dynamic developments where the objects themselves are performative and continuously shaped in complex interactions between situated actors, practices and infrastructures and their respective institutional settings. This means that Power's development schema should not be interpreted as a chronological story of how new accounts emerge but rather as a continuous and interwoven process from which new cycles of accounting change can emerge. According to Power (2015, p. 53), "contingent variation in the way these phases play out may explain differences in the durability and nature of accounting systems."

In this study, we consider sustainable development as a performance object. Power (2015, p. 44) describes the nature of a performance object as a *boundary object* (Star, 2010), as it is "[. . .] essentially flexible in its interpretation but must also be made specific by the work of [context-specific actors], specifically via the iterative development of a [accounting template]." Interpreting Power (2015), this iterative development and specification happens through the performance object (cf. sustainable development), policy object (cf. Agenda2030; cf. SDGs) and accounting object(s) (cf. VLR; cf. specific metrics or evaluations, e.g. CO_2 emissions). Figure 1 depicts a deconstruction of Power's (2015) framework, i.e. the reduction of the framework to its constituent parts to reinterpret it.

Policy object formation starts with the problematization of the current state and involves "the clustering of related discourses, often across and shared by different fields or arenas and building up over time to create pressure for reform in terms of a performance object" (Power, 2015, p. 48). Following Lebas and Euske (2007, p. 125), performance can be seen as "[. . .] a social construct that results from the identification and the sharing of a causal model," which they conclude to mean that performance is "meaningful only within a decision-making context." Thus, the performance object influences reality only when utilized in decision-making. In this sense, the performance object is the embodiment of an *interpretive scheme* (Schütz, 1972) that is shared by a set of decision-makers. This interpretive scheme describes desirable results, i.e. what is valued, and as such it defines what performance means in the



Source(s): Adapted from Power (2015)

Figure 1.
Interwoven phases in the emergence of new accounting forms

specific context (cf. Lebas and Euske, 2007). However, to construct a shared understanding of a specific performance object, policymakers must form a policy object.

According to Davies and Lindvig (2021), policy objects are assembled differently in different contexts and are perceived as inherently plural. Multiple actors and arenas around the novel object become temporarily aligned and mutually reinforced through problematization, through which actors direct attention and activity toward the object. This provides the agency opportunities for change until a new policy object is constructed through dynamic and discursive processes and amplifications of the problem definition at the field level. The object can remain ambiguous, multiple, elusive, abstract and even unstable (Davies and Lindvig, 2021) – "sustainable development" or "sustainable city" being prime examples – but it needs to reach "the threshold of wider institutionalization" (Power, 2015). Several decades-long complex and multifaceted development trajectories have led to sustainable development emerging as a policy object of cities. Multiple high-level UN conferences, working groups, scientific publications and reports from bodies such as the Intergovernmental Panel on Climate Change (IPCC) have resulted in the alignment of arenas and objectives enabling individual organizations across sectors to exercise agency and "engage as part of the solution to the problems identified" (Bebbington and Unerman, 2018, p. 4; cf. section 2.1).

Policy object elaboration connects the field and organizational levels in practice norm creation through deliberative and elaborative processes (Power, 2015). Policy object elaboration as part of Power's fourfold development schema for new accounts exemplifies a stage where field-level abstract policy objectives are being translated into more concrete and operationalizable accounting objects and gaining local and situation-specific meanings. Davies and Lindvig (2021) refer to the clarification of responsibilities and the codifying of the policy object. The policy object becomes an accounting object through the establishment of more clearly formulated strategic goals, targets and calculative practices through which their realization can be followed. This stage refers to the localization of SDGs for the purposes of accounting, strategic planning and management through the deliberation and elaboration of what sustainable development as a performance object means for the city.

Activity orchestration focuses on the accounting object's role as a mediator between actors and artifacts. The phase depicts the application of the accounting object on an organizational level and recognizes the possible interconnections with the "system of central oversight" (Power, 2015). First, a template (cf. VLR; cf. accounting object) "provides a sense-making frame" for the accounting of the performance object (cf. sustainable development) and allows the visualization of the performance object it strives to reflect. According to Power, the development of a new accounting object "should be understood as constructing and projecting the [actual performance] object." A standard template makes reporting "manageable and audible," and it allows comparison between different reporting units. Second, Power describes how the accounting object's content was generated and elaborated in a "controlled dialogue" between the experts who worked directly with the accounting object and a system of central oversight. This dialogue formed the norms for appropriate reporting. Lastly, Power critically notes that heterogeneity in accounting often leads to a failure of reporting. He points out that the ambiguity of the performance object can lead to the pervasion of the *production* of an accounting object, despite the extensive guidance of a system of central oversight.

Infrastructure and practice stabilization considers the actual use of the accounting object and the enactment of the performance object in the social reality of the organization. According to Power (2015, p. 50), "[t]he creation of new dimensions of performance and their associated facts is always radical and always requires new forms of accounting and governance." First, the formation and development of infrastructure "is dependent on the durability of field-level institutionalization of the policy object" (Power (2015, p. 50); cf. the first two phases; cf. section 2.1). Power describes how, in the case he considered, the performance object could not become an *organizational fact* or a *performance fact* (Latour, 2005) until the policy setting, monitoring and then practice infrastructure were in place. Second, new infrastructure rises from the needs or demands for new perceptions, e.g. from the need to perceive sustainable development, on the organizational level. This need can arise from the organization's institutional environment or through the demands of the organization's decision-makers to scrutinize aspects that have not been accounted for previously. A new performance object needs to be incorporated into organizational processes and information systems as an accounting object, which brings about social change (cf. the *activity orchestration* phase). Third, the stability of practices is produced through "roles, rules, routines and governance structures," i.e. "infrastructure," that is focused on the construction of the accounting object (cf. the performance object). The decisive organizational change arises from this social infrastructure not from the accounting object itself (Power, 2015).

In addition to depicting the phase, Power (2015, p. 51) makes three "generic propositions about the effects of infrastructure accretion [. . .] as an agenda for further empirical exploration," which are:

(1) The specific form and content of new accounting statements [are] likely to be more fragile than the infrastructures they give rise to. [. . .]

(2) The importance of accounting to processes of subjectivization increases with the accretion of infrastructure. [. . .]

(3) As infrastructure accretes, it creates routines which shorten organizational time horizons.

The duality of social *structures* and *agency* is evident in the phase of practice stabilization as structures guide activities and activities restructure the structures (e.g. Giddens, 1984),

although this duality can be seen in all four interwoven phases. Orlikowski (2000) presents how, in different organizations, a new technological object or instrument can be understood and used in various ways and, therefore, *enacted* in various ways: the implications for reality are different. Enactment of the object brings the object to life and, therefore, affirms or changes the observable social structures. As Sin (2014, p. 437) states, the "policy object does not have an objective existence as an entity or artefact until it finds expression in actual enactment and embedded practices." Here, the inter- and intra-organizational social processes and dynamics are of interest.

3. Research design, empirical setting and methods

3.1 Research approach and case selection

To explore how new accounts on SDGs are adopted, introduced and deployed in local governments, this study used a holistic qualitative multiple-case study design (Yin, 2018), i.e. multiple similar bounded cases are examined. While the case study strategy can be utilized for various purposes (Eisenhardt, 1989), in this paper, we intend to provide a description of the integration of the SDG agenda across municipalities. More specifically, we focused on the ongoing process in the cities in Finland to unveil the common features of the adoption of the SDG agenda, primarily seeking to capture general trends and patterns that can contribute to the general relevance of the findings (Gomm *et al*., 2000). The cases were purposefully selected. Using the Network of Strategic Management of SDGs in Cities (hereafter, "the Network") coordinated by Kuntaliitto as a starting point, we focused on the six largest cities of Finland involved in the Network. The populations of the cities of Helsinki, Espoo, Tampere, Vantaa, Turku and Oulu vary from 195,000 to 658,000. The participants were at different development phases concerning VLR and SDG reporting. The city of Helsinki published VLRs in 2019 and 2021 (respectively, Espoo 2020; Turku 2020; 2022; Vantaa 2021; Tampere 2022), while the city of Oulu was still in the planning of its first VLR when this research was conducted. In Oulu, the VLR was discussed by the executive management board that initially decided on drafting the first VLR, but later they decided to postpone the process and refocused efforts on integrating SDGs into the management accounts. Helsinki, Espoo and Vantaa intend to report a VLR biannually, Turku in tandem with the strategic cycle (every four years), while Tampere intends to report next time in tandem with the national report in 2025.

3.2 Data collection

From October 2022 to March 2023, we conducted semi-structured interviews with key individuals involved in SDGs, Agenda2030 and VLR processes in six cities. Due to the distinct nature of this work across cities, we utilized the snowball sampling approach by asking interviewees to suggest other potential informants. We started snowballing from the cities' representatives ("SDG coordinators") who participated in the Network. We then compared and discussed these referrals to see which individuals we should interview. In 19 interviews, we interviewed 22 individuals from the six cities (see Appendix 1). The interviews lasted around one hour and were conducted by Microsoft Teams in a format of both individual and group interviews. We then transcribed the records verbatim. Along with the interviews, we conducted participatory observations by taking part in two meetings of the Network. During these meetings, one of the researchers made detailed notes on the discussions among the participants.

Furthermore, we collected key documents including VLR reports, city strategies (2021–2025; 2022–2025), annual reports (2021; 2022), budget plans (2023) and other materials including press releases and public statements to capture how the cities had integrated SDGs

into their disclosures. By combining different sources and types of data, we aimed to enhance the validity of our observations and create a more in-depth picture of the research problem (Fusch *et al.*, 2018).

3.3 Analysis methods

In this study, the analysis was conducted holistically, drawing conclusions from the interviews and documents as a whole and through cross-case examination (see Yin, 2018). We sought to uncover the focal dynamics and processes of how accounting for SDGs began in the six cities and utilized rough coding by manually marking parts of interview transcripts by considering which phase of Power's (2015) framework they depicted. In the case study approach, researchers can look for observable characteristics, e.g. based on a theoretical framework (cf. section 2.2 and Figure 1), but it is not unusual for key variables to emerge during data collection (Becker *et al.*, 2005), which we considered (cf. Figure 2).

In the document analysis, we utilized interpretation and word search. In documents other than VLRs, we searched for the terms "SDG," "Sustainable Development Goals," "Global goals," "Agenda 2030," "Agenda2030," "sustainability," "responsibility," "Voluntary Local Review," "VLR" and their Finnish counterparts. When a searched-for term was found, we interpreted the context and meaning. We defined the analysis dimensions for each document type to make the document analysis manageable and comparable. In city strategies, we focused on how sustainability and/or SDGs were considered concerning the general overview and the stated vision, values and goals. In budget plans, we focused on how sustainability and/or SDGs were considered in general, in set goals for the city, by administrative branches, and in goals set for subsidiaries. In financial statements, the focus was the same as in budget plans, but the annual report was also considered. In VLRs, we focused on the structure of the document and how the information was presented. A summary of the document analysis is presented in Table 1 and more detailed analysis notes are in Appendix 2.

We utilized hermeneutic analysis in which we transformed our understanding of the parts and the whole through iterative recontextualization (e.g. George, 2021). This happened through recurring research team meetings where we discussed the data and our interpretations of it. This was facilitated by considering one of the framework's phases per meeting discussion. Before the meetings, we oriented ourselves by gathering our own initial understandings of the phase from the data while reflecting on the theoretical framework (cf. contextualization). In the meetings, we discussed our ideas and gained new understandings (cf. recontextualization). This formed our recurring hermeneutic circle. In addition, we continued discussions among researchers during the writing and finalization of this study, thus continuing the hermeneutic recontextualization.

4. Empirical findings

4.1 Policy formation: six cities commit to Agenda2030 and SDGs

Policy formation was related to the establishment of the role of the local level action as part of Agenda2030, and it was entangled with longstanding historical trajectories related to the environmental and social responsibilities of cities. Our focus, however, was on policy formation through the creation of supranational networks around the new policy object, Agenda2030. Instead of steering from the central government, our data pointed out a mesh of complex networks and interactions that led to the adoption of Agenda2030 as a policy object at the local level. The six cities were all active in several international and national networks and operated directly in the global arena by participating in high-level UN political forums and having bilateral relationships with cities outside Finland. By linking

cities to the state-level implementation of Agenda2030 through the representation of cities in the National Commission on Sustainable Development, Kuntaliitto was noted to have an active role in constructing and promoting Agenda2030 and SDGs as a local-level policy object:

> In terms of Kuntaliitto, they can have a role. They can bring these thematics to other people beyond these networks if they take these issues up in meetings with some political decision-makers or mayors or strategy-leaders or something like that, what they have been doing, these groups that would not get . . . let's say vulnerable [sensitized] to these thematics necessarily in other places, here is that these trends are now discussed in urban development or local development, so we should pay attention. (Strategic Manager)

Helsinki as the capital was especially active in the international arena. Helsinki signed the VLR Declaration launched by New York City at the UN General Assembly in September 2019, in which the City expressed its commitment to Agenda2030. In the spirit of New York, the mayor of Helsinki challenged the Finnish cities to follow Helsinki and commit to advancing Agenda2030 and SDGs. This was described by the interviewees from other cities as one of the landmark events in Agenda2030 acquiring legitimacy and broader political interest in the policy landscape of local governments.

> I think more widely, one perhaps critical person was the mayor of Helsinki, Jan Vapaavuori. When a few years ago they had this meeting for the 21 biggest cities of C21 or whatever that network is called, and he urged everyone to start preparing the VLR because Helsinki had. They hadn't probably done that, but they were doing their first one. And he sort of challenged everyone else to come along. And I think it was the first time that it was widely discussed in our executive management group. (SDG Coordinator)

To exemplify their commitment to Agenda2030, in 2022, the six cities released a "Declaration by Finland's six largest cities on the promotion of the national sustainable development road map." The declaration, signed by the mayors of the six cities, states that the cities commit "to promoting the goals for the areas of change outlined in the national sustainable development roadmap in accordance with the cities' strategic priorities," putting emphasis on the localization of both global and national-level policy goals.

4.2 Object elaboration: local strategic prioritization

Sustainable development as a performance object was considered highly abstract, and, according to the interviewees, it was understood in various ways. The lack of a shared understanding of what issues should be associated with sustainable development and how economic, social and ecological dimensions should be prioritized and their interconnections understood was described as a starting point to the process of bringing SDGs into the organizational reality of the cities, as the extract from the interview data points out:

> If we talk about the municipal councilors, i.e. the political decision-makers when it comes to them talking about sustainable development, they currently pretty much only understand it as ecological sustainability and climate change mitigation and circular economy and such. In other words, they still don't understand that social sustainability and equality and securing services for those in weaker social positions are also sustainable development. (SDG Coordinator)

SDGs were depicted as a way to capture the multidimensional and plural nature of sustainable development as a performance object. The interviewees felt that SDGs could broaden the current understanding of sustainable development that was primarily focused on environmental issues, such as climate change mitigation and environmental protection.

The following extract from the interview data describes how SDGs could provide a common language through which sustainable development as a performance object could be

elaborated in a way that would allow various actors to connect their activities with the performance object. In this way, the SDG framework worked as an interpretive scheme reflecting the performance object.

> So that is how we see the SDGs, is the way to be, to have a common language within different leaders, different nationalities, different cultures, so that we can learn to speak the same language and so that we can see like "what we are doing, where we can do better, where we can learn," and also where we can give to somebody else our knowledge and our experiences. We see it as a way to not only to measure our work, but also to have this common ground with everybody else because sustainability work is very different in comparison to different cities or cultures. (Sustainability/Environmental Specialist)

While SDGs offered opportunities for potential accounting objects (e.g. CO_2 emissions), they mainly worked as thematical policy objects that allowed context-specific interpretations and the formation of new accounting objects. The process of elaborating sustainable development as a performance object through SDGs in the cities took place both at the field and organizational levels. The Sustainable Cities Program run by the Ministry of the Environment sought to develop ways in which cities could measure their progress in terms of sustainable development. In the Network, the cities jointly developed "a strategic sensemaking tool for SDGs," the SDG Analysis Process. The tool outlined an interactive workshop method for SDG "sensemaking" through the selection of the most important, supportive and at-risk SDGs on any given topic and the creation of more specific targets for each (SDG Analysis Process: Handbook, 2022). Through participatory observation, we witnessed the attempt of the representatives of the six cities to collectively make sense of how and through what kind of methods SDGs should be localized.

> So, the big thing is if you use the SDGs – the big question is how do you localize them? And there it opens a set of questions and I think one of them is something that we worked quite a lot with the six cities is that localizing process . . . I mean, the outcome is unique for each city. (SDG Coordinator)

> SDGs do not have value in themselves, but SDGs are best when they are connected to a context. So, it's kind of a mirror that reflects the context and the environment that it's in. (SDG Coordinator)

Although the cities formally committed to a global-level agenda, in practice, local priorities shaped the situated understandings of sustainability. In the declaration by Finland's six largest cities on the promotion of the national sustainable development road map, the cities committed to the policy object of Agenda2030 "in accordance with their own local strategic priorities." At the organizational level, the adaptation of SDGs to local strategic priorities involved the use of these jointly developed structured methods and tools, deliberation and the consultation of various stakeholders. The SDGs were localized through different strategic focus areas, such as health and welfare, culture and education, carbon neutrality and reducing inequalities. The cities displayed variance in local strategic focus areas, which impacted the construction of future visions and actions required in achieving them. The following citation describes why, while many approaches and tools used in object elaboration were shared between the six cities, the results of the process varied based on local prioritizations:

> I'm not the one saying that the SDGs or the targets or the indicators are even close to perfect. They are not. But they are good, and they are functional, and you can work with them, and you can localize them, and you can develop them, and you can use them as a kind of an umbrella where then you can create your own connection to the targets and indicators, for example. (SDG Coordinator)

The document analysis and interviews revealed that all the cities that had published a VLR addressed Agenda2030 also in their strategy (see Table 1; Appendix 2). Helsinki, Espoo and Turku declared in their strategy documents their overall commitment to Agenda2030 and SDGs and, in their VLRs, they emphasized the importance of city strategy and policy

programs in achieving the SDGs, whereas Tampere and Vantaa connected the focus points of the city strategy to SDGs, presenting what SDGs each strategic focus area considers. Consequently, sustainable development as a performance object became projected mainly through existing performance measurements developed to track the local strategic goals.

VLRs were adopted by the cities as an accounting template that allowed the cities to elaborate on sustainable development. The VLR as a device to track the development of performance also meant that cities, in addition to utilizing the strategic indicators they connected with SDGs, often needed to search for new indicators and measurements to fill in the areas that previously had not been accounted for. A wide array of external sources was used in search of additional indicators fit for local needs. Some of the cities had taken part in the JRC URBAN2030 project, which focused on the local monitoring of the SDGs. Through the European Handbook for SDG Voluntary Local Reviews published by JRC URBAN2030, the cities could access a wide set of potential indicators and see which indicators were appropriate in their own context and strategic goals. In this way, VLRs facilitated the compilation of different accounting objects that could be linked with SDGs and allowed cities to create projections of their state and progress in relation to sustainable development as a performance object, although the accounting objects were not necessarily created to project sustainable development. Through the choice of indicators, the cities engaged in the elaboration of the performance object, i.e. in the construction of the local interpretive scheme. While the VLR and/or SDGs, as an accounting template did not direct the process of object elaboration, it did facilitate and frame the process.

4.3 Activity orchestration: the VLR as a bundler for metrics and actions

In addition to sparking object elaboration, the VLR as an accounting template facilitated activity orchestration and "contingently linked together and translated programmatic and conceptual demands into feasible workstreams in organizations" (Power, 2015, p. 49), allowing actors to visualize the abstract and multidimensional performance object through a structured process. In all the cities, "understanding where we are at the moment" and "making what we already are doing visible," as the interviewees put it, were important starting points for the exploration of SDGs as a new interpretive scheme. In most of the cities, the use of these new tools was operationalized in pilot attempts to scan the SDG linkages of the strategic documents, selected programs and spearhead projects thematically intertwined with SDGs. These exercises, often mainly part of the internal work within the city organizations, helped the cities to get a hold of their current state and explore the managerial implications of the performance object, paving the way for the initiation of the VLR process and broader integration of SDG accounts as part of the management of the city:

> The SDGs would be integrated throughout the organization in a cross-cutting way so that when we plan our projects or programs, we would think about which SDGs it helps to fulfil or what are the impacts on SDGs, plus or minus . . . (SDG Coordinator)

The generation of the content of the VLR was orchestrated through internal working groups within the city organizations, composed of various "active individuals," as one of the interviewees described the participants. Typically, the working groups were composed of sustainability and climate specialists and coordinators, strategic managers, professionals in ownership steering and branch or company managers. The working groups engaged in a controlled dialogue between the various branches of cities and the central management to generate the content for the VLR reports. Especially, the sustainability coordinators, as participants in global and national networks, played crucial roles in connecting the field and organizational levels in the creation of practice norms, building internal capabilities and introducing innovative ideas for the construction of performance objectives and

operationalizing VLRs. Despite the active participation of many mayors, however, several informants reported encountering difficulties in disseminating the concept throughout the entire city organization. Hence, the working group members conducted advocacy work by "spreading the gospel" of SDGs (interviewee) to other cities and inside their own city to make SDGs and VLRs better known across the organization.

> . . . about six people from different departments working on it quite closely. So, it was like a small working group, but with representation from all departments. And they basically took each SDG and just explained what has been done for this to reach this one goal. And then they went through them, all 17. And then the second time that we're doing this now, we based it more on the strategy of the city and the division, the teams and how SDGs have been divided under the teams. (SDG Coordinator)

The information gathering organized by the working groups coordinating the VLR process set in motion processes to identify and account for SDGs in branches and municipally owned corporations. Dialogue between central coordination and the branches and companies was reported. However, instead of central oversight, each branch and municipally owned corporation underwent internal sensemaking processes and generated situated understandings of the performance object and how their activities were linked with the performance object. This allowed subjectivist interpretations of the performance object to prevail in the production of accounting and shaped the content of VLRs as bundles of heterogeneous accounting objects directed by sectoral rationales and interpretations of sustainability. As one interviewee noted, "I think it is very difficult to see us [the city] as an organization. It is more like some key people getting their ideas from certain places." The observation reflects the cumulative nature of the process, whereby individuals at different levels of the organization aggregated information to produce joint accounts of their collective performance. While formal oversight mechanisms had not been established, the interactions represented the "possibility of beginning to practice" (cf. Power, 2015).

4.4 Infrastructure and practice stabilization: accumulative character of the VLR on the sustainability performance object

The informants suggested that the VLR and SDGs have managerial implications. The VLR and SDG reporting, and related social processes, are used to build interpretive schemes primarily for managers and decision-makers.

> [The ones that especially need to know about the SDGs are] those who make decisions [. . .]. It's those who decide where places are being built, or what kind of education system we have – they need to have a better understanding about SDGs. (Sustainability/Environmental Specialist)

The managerial role of the new SDG accounts and the VLR differed among the cities (cf. section 4.2 and Appendix 2). Key people and individuals in different cities perceived and utilized SDGs differently and with different weights. While the SDGs and the VLR were considered in relation to strategy, on the one hand, some interviewees perceived that the city strategy drove sustainability as is and, because of that, the hypothetical added emphasis on SDGs was seen as an artificial "marketing" activity by some interviewees. On the other hand, some perceived the need to connect local thinking and actions to the international framework and therefore connected the city's strategic aims directly and visibly to SDGs, which also connects other management documents, such as the budget and annual report, to SDGs. Second, practice stabilization was at an early phase, which allowed different solutions and applications of VLR and SDGs, as well as new accounts for multiple purposes. While there are guides, handbooks and supporting networks, there were no strict rules on how to use the VLR or SDGs. As voluntary accounts, cities can decide to utilize them in any way they want or decide not to use them at all – the possibilities of variance are limitless.

While the VLR and SDGs had different roles in different cities' accounting infrastructures (document structures), SDGs implementation in the city strategy might depend on the administrative structure of the city and, especially, where the professional[s] focusing on VLR were located in the organization. Being located in or having a strong connection with the strategy unit of the city's central administration might give the strongest opportunity for the strategic use of SDGs. The city strategy would connect SDGs institutionally and procedurally to budgeting and annual reporting, which would further accrete the infrastructures of SDG accounting. The importance of the concrete connection of SDGs to city strategy in the accretion and influence of SDG considerations can be perceived in the following.

> We believe that it is not good for sustainable development that we have our city strategy and that we have our goals in strategy, and we have a different kind of document where all the sustainable targets are said. That would give a thought that those two things, to manage the city and manage sustainable development, are different things. So, our main goal in sustainable development work has been, at first phase, to integrate sustainable development goals within our strategic management documents. The first one is of course our strategy, but then we have also other documents which lead, or which guide, for example, our annual budgeting and planning process. So, we believe that this is the only way to get those SDG targets into action. (Strategic Manager)

The SDGs also concerned city-owned companies. For example, in Tampere, as the city strategy was bound to SDGs, SDGs were described as being under continuous discussion with the city-owned companies. Some companies reported on SDGs annually or even quarterly to the administration of the City. Tampere intended to include sustainability reporting requirements in the City Group code of practice, which could further require companies to report on SDGs. In Helsinki, while SDGs were not strictly embedded in the city strategy, the city urged the companies to consider SDGs in their reporting. In Turku, the companies themselves discussed with the city's central administration about getting involved in the SDG processes. SDGs were used as a base to build infrastructure for sustainable development in city groups:

> [W]e are also in this SDG process, we are making . . . In the near future, we are making this kind of group for all the city companies' SDG persons. So, we are making this kind of group for them so that they can exchange ideas and ask and spar each other further in these matters. (Central administration/governance, Specialist)

Some interviewees were concerned about the weak influence of SDGs in central managerial processes. The risk of the movement "dying" was mentioned because this had happened to earlier sustainability programs (cf. section 2.1). However, the utilization of SDGs was recognized to be gaining momentum, and time would tell how the infrastructure born from SDGs accretes and how SDGs' value propositions have an influence:

> My worry about the SDGs is that [they are seen as] pretty and nice, these kinds of stamps you can collect and put on the cover of any magazine, and it is done because it is a popular thing to do, without truly going through what the SDGs mean. It is now to be seen in the following years what kind of development goes on. I really hope they will not be used [only] as these kinds of stamps, and that they will be understood and so that they will make a change. Not that they will be understood but would result in what resulted 20 years ago – that it is too vast and too big entirety to be even grasped. In the future, we will see how it goes and what kind of result it brings. I think now it is living its renaissance – so thumbs up. (Sustainability/Environmental Specialist)

In the budgets for 2023, SDGs were explicitly mentioned by four cities, mostly only briefly, even though the concept of sustainability was presented at many points in every city's budget. Helsinki and Espoo referred to the ideas of their city strategies with similar phrases as in the strategy documents. Turku's two separate administrative branches declared in their own sections, in one sentence, their commitment or intention to implement Agenda2030s 17

SDGs in their plans. Tampere brought up the connections of the city strategy's focus points to SDGs in a section considering the strategy and strategic management systems. In the budget, a connection was presented between the council term's strategic goals and the SDGs. While the strategic goals were locally driven and controlled through localized indicators, the strategic focus points were thematically connected to SDGs.

The annual reports for 2021–2022 show that SDGs were not considered as a performance aspect to be informed to stakeholders, although sustainability was discussed. Only three cities mention SDGs or Agenda2030. Espoo's reports contain similar mentions as the strategy and budget, and, in the 2021 report, a general reference is made to cross-administrative program work advancing SDGs. In Oulu's report for 2021, education services disclose two specific activities concerning Agenda2030, while in the 2022 report, Oulu mentions that they are developing a reporting tool for UN SDGs. Turku's 2022 report contains one city-owned company's declaration of fostering SDGs. Table 1 presents the summary of the document analysis. More detailed information is presented in Appendix 2.

Document / City	Strategy 2022-2025	Budget 2023	Financial statements 2021	Financial statements 2022	Voluntary Local Review (VLR)
Espoo	○	○	○	○	Published 2020. SDGs connected to city strategy as "the story of Espoo"
Helsinki	○	○	◌	◌	Published 2019 and 2021. Presents strategic goals of the city and their connections to SDGs, as well as the progress of the city in indicators for all SDGs.
Oulu	◌	◌	◌	○	No VLR published. Sustainability Monitoring Report based on indicators that are connected to SDGs published.
Tampere	●	○	◌	◌	Published 2022. Presents strategic goals of the city and their connections to SDGs; Presents SDG indicators and case examples.
Turku	●	○	◌	◌	Published 2020 and 2022. 2020 Presents collection of indicators on each SDG. 2022 emphasizes connections with city strategy.
Vantaa	●	◌	◌	○	Published 2021. Presents situation on each SDG. Briefly considers connections with city strategy.
●	Items in document explicitly connected to SDGs; SDGs considered as part of performance				
○	General mention of SDGs or Agenda2030 but items not explictly connected to SDGs				
◌	SDGs or Agenda2030 not mentioned in the document				

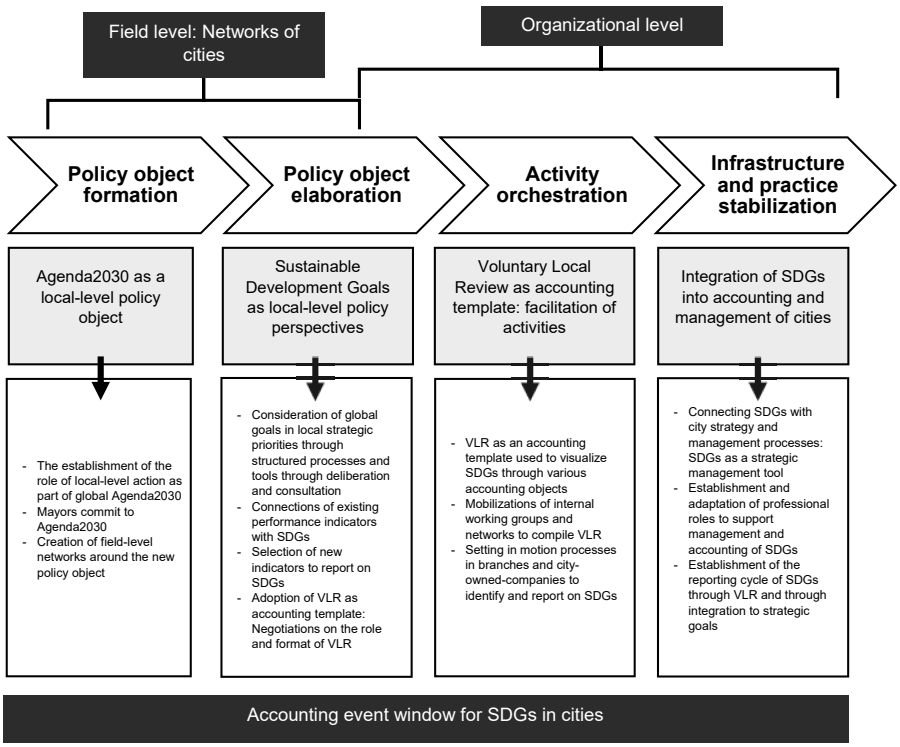
Table 1.
Summary of document analysis

Source(s): Authors' own work

5. Discussion

City authorities face increasing pressure to counter global sustainability challenges and play an active part in implementing global and national policies, as well as managing local-level action for SDGs. By exploring the making of SDG accounts in the six cities through a multiple case study approach, we respond to the calls by Kaur and Lodhia (2019) for more research that explains how public-sector organizations address SDGs and by Modell (2022) for research discussing the sociology of valuation in connection with the institutionalization of performance in the public sector. More specifically, by focusing on the dynamics and processes, we capture empirically how accounting for the global sustainability agenda begins in cities.

Figure 2 presents a summary of the key results. Object formation, object elaboration, activity orchestration and practice and infrastructure stabilization all relate to the interaction between the global and local, the process of glocalization, as the performance object, the policy object and the accounting object are processed in parallel in the making of new accounts. Agenda2030 as a global policy object gained situation-specific and local meaning through the deliberation and elaboration of what sustainable development as a local-level performance object means for the cities, and how the cities could contribute to the global agenda. The VLR as a process and a common and globally recognized accounting template framed the object elaboration and activity orchestration and allowed the actors to connect their activities with global sustainability and reinforce the perception of cities as new types of subjects that actively promote and demonstrate accountability in global sustainability challenges not only locally, but in the global arena (see Bebbington and Unerman, 2018).



Source(s): Authors' own work

Figure 2.
Synthesis of the case study results on the phases and emergence of SDG accounts

While SDGs as an interpretive scheme allowed a joint elaboration of sustainable development as a local-level performance object against global goals, we highlight new accounts that were shaped by the availability of information, organizational structure, institutionalized practices, local political priorities and resource constraints. Our data display a similar approach as reported by Guarini *et al.* (2022) in Italy – cities use SDGs as an overreaching theme in strategic planning or as a reference framework to link the existing strategies and political priorities with sustainable development programs, but not as a point of departure.

Our results show that the VLR facilitates a compilation of bundles of accounting objects that often relate to the pre-existing policy objects or performance objects of the city through which SDGs can be depicted. This can be problematic because the development of an accounting object "should be understood as constructing and projecting the [actual performance] object," (Power, 2015, p. 49) as accounting objects can align activities away or toward the intended performance. The (mis)alignment of the accounting objects, policy objects, and performance objects should be carefully considered. Without alignment, sustainability accounts suffer from the broken telephone game effect – they can get diluted and twisted in organizational reality when they are localized, again hindering their role in instigating institutional change beyond a change in accounting practices.

The interviewees emphasized that for the SDG accounts to support the cities in pursuing more sustainable futures, they need to be integrated into the strategies and managerial practices. Across all six cities, practice stabilization was at an early phase and the practices varied among the cities; however, SDG accounting seemed to be developing a positive momentum. As Guarini *et al.* (2022) noted, without the integration of these new accounts into routine managerial practices, they have very little influence on the way in which cities function. Nevertheless, the cases display how SDGs are used in accreting infrastructure that allows cities to track and manage their progress on sustainable development.

Power (2015) offered three propositions about the effects of infrastructure accretion. According to our data, Power's first proposition that "the specific form and content of new accounting statements is likely to be more fragile than the infrastructures they give rise to" seems valid (cf. Appendix 2: VLR). While infrastructure has accreted, the relation of SDG accounts with various cities' strategies seems to be evolving, along with the relation to budget and reports, and there already is variance between a city's VLRs (see Appendix 2: Helsinki; Turku). According to Power's second proposition, accounting becomes more influential as infrastructure accretes. According to our results, this seems valid concerning SDGs and sustainability. Infrastructure accretion enables the further fostering of sustainability accounting in city organizations beyond Agenda2030 and SDGs and, thus, makes the performance object of sustainability better known and more valued. Concerning the third proposition, based on our results, there is no evidence of shortening the VLR reporting cycle through infrastructure accretion; however, the interviewees emphasized that SDG accounting would be more frequent when connected to financial reporting processes, bringing the sustainability perspective cyclically in line with financial accounting. Our results indicate the further accretion of SDG accounting infrastructure in the future and, thus, further progress in line with Power's propositions. We see no signs of the movement dying.

The current study includes certain limitations. The first arises from the use of a case study approach and pertains to the challenge of generalizing findings from the selected cases. To address this concern, we utilized theory building, as suggested by Power (2015, p. 44) and analyzed multiple cases focusing on the processes of the integration of the SDG agenda across municipalities. Analyzing a range of cities within a single national context, we were able to capture the common features of the adoption of the SDG agenda, thus arguing for some general relevance of the findings (Gomm *et al.*, 2000). Another limitation of the study relates to the contextual influences that are inherent in the Finnish setting from which the cases were drawn. We recognize that the findings of the study are influenced by the

contextual features of Finland. Thus, conducting research in other empirical settings, e.g. with different administrative systems and less autonomous local governments, might capture a different perspective on how the integration of the global sustainability agenda unfolds at the local level.

6. Conclusion

We explored the process of how accounting for Agenda2030 and SDGs begins in the six city administrations in Finland by following Power's fourfold development schema of policy object formation, object elaboration, activity orchestration and practice stabilization. Our results show how SDG accounting began through global and local-level interactions that led to cities committing to sustainable development and Agenda2030 as a policy object. The SDG framework worked as an interpretive scheme through which the cities glocalized sustainable development as a novel, simultaneously global and local, performance object.

This study contributes to the existing research on SDGs by providing an extensive and explicit connection between the implementation of the global Agenda2030 to the city level and offering a novel view of this process as *the glocalization of an interpretive scheme*. In this vein, the current work provides an additional contribution to the accounting literature on SDGs by explaining SDG accounting as a social infrastructure that serves to build and maintain a socially constructed view of the performance of sustainable development. The study shows empirically how this interpretive scheme is built in cities by elaborating sustainable development as a performance object, orchestrating actions to account for performance based on collectively construed views and by seeking to integrate new accounts as part of the managerial practices of city administrations and, thus, contributes to the understanding about the institutionalization of a performance perspective in the public sector.

The study offers some implications for practitioners, as it elaborates on the social and institutional dynamics and processes of how accounting for SDGs begins, and how they shape the performance and accounting objects themselves. Integration of the new accounts in managerial practices is necessary for these accounts to take life in steering the actions. Cities can strengthen SDGs' managerial impact by fostering dialogue among different stakeholders and by embedding SDGs into the strategic and financial management of the city, thus accreting SDG accounting infrastructure. This can be encouraged by: (1) locating SDG coordinators in the strategic management unit of the city's central administration; (2) connecting SDGs in the city's strategic goals and, thus, in budget and annual reports; (3) considering the city group code of practice to promote SDG accounting in city-owned companies; (4) introducing SDGs in the procurement code of conduct; and (5) supporting intra- and interorganizational networking of SDG coordinators and SDG work. This shapes the city administration's perception, i.e. interpretive scheme, *of* and *toward sustainability*. We perceive this as the purpose and intention of Agenda2030 and SDGs. By contrast, if SDGs are not used in this way, SDGs do not contribute to the accretion of infrastructure concerning the performance object of sustainability.

We would like to highlight three propositions for future research. Our cases displayed variance in the adoption of SDG accounts and VLRs in terms of motivations, approaches in compiling the reports, content and the level of integration and interconnections with strategic planning and management, which subsequent studies could further explore in similar and different contexts. Second, integration and practice stabilization are anticipated to enhance the influence of SDGs, yet local priorities and management structures shape the way objects are construed and may create misalignment between the performance object, policy object and accounting objects that project the performance object. These dynamics could be further explored in future studies. Lastly, future research

should pay attention to complex social processes and dynamics in the institutionalization of sustainability performance and focus on issues such as power dynamics in institutionalization processes, resistance to institutional change and the way prevailing practices shape the adaptation of a new practice. These factors may hinder the capacity of new accounts to live up to their promises. Thus, building an understanding of these issues may enhance capabilities to manage change.

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(The Appendix follows overleaf)

Appendices

Appendix 1

	City	Interviewee
Interviews	Oulu	Strategic manager
	Oulu	Sustainability/environmental specialist
	Oulu	Sustainability/environmental specialist
	Oulu	Strategic manager
	Oulu	Central administration/governance, specialist
	Oulu	Strategic manager
	Turku	SDG coordinator
	Turku	Strategic manager
	Turku	City-owned company's representative
	Tampere	SDG coordinator
	Tampere	Central administration/governance, specialist
	Tampere	Strategic manager
	Helsinki	City-owned company's representative
	Helsinki	SDG coordinator
	Helsinki	Sustainability/environmental specialist
	Helsinki	Sustainability/environmental specialist
	Espoo	SDG coordinator
	Espoo	Sustainability/environmental specialist
	Vantaa	Strategic manager
	Vantaa	SDG coordinator
	Vantaa	Sustainability/environmental specialist
Documents	• City strategy (latest available; 2021–2025; 2022–2025) • Annual Report (2021 and, latest available, 2022) • Budget plans (latest available, 2023) • Voluntary Local Reviews (all available)	

Table A1.
Primary sources of the empirical data

Source(s): Authors' own work

City	Document Strategy 2022–2025	Budget 2023	Financial statements 2021 (FS, 2021); consider earlier strategy period	Financial statements 2022 (FS, 2022); consider strategy 2022–2025	Voluntary local review (VLR)
Espoo	"The Espoo story" presented by the City Council on October 25, 2021. "The Espoo story" concept was used also in the earlier strategy period. 13 pages. One of the three stated values is "Espoo is a responsible forerunner," and its elaboration includes the statement that "We develop Espoo economically, ecologically, socially, and culturally sustainably." (p. 1) Six of the seven strategic goals of the City Council mention and consider some aspect(s) of sustainability. As part of the fifth goal, it is stated that "Espoo achieves the UN Sustainable Development Goals (SDGs) as a forerunner and develops and distributes sustainable development expertise in national and international urban networks." (p. 4) As part of "Cross-sectional policy programs," there is the "Sustainable Espoo" policy program, which mentions that it "strengthens all aspects of sustainable development in the operations of the entire city group and creates solutions for achieving the UN Sustainable Development Goals (SDGs) in Espoo and other cities." (p. 6) As an appendix, there is a story section that briefly recaps the history of the city, presents the current state and visualizes the future of the city according to the City Strategy. The section's headline is "Espoo – Europe's most sustainable city," and the text mentions sustainability multiple times. (pp. 8–13) No specific goals or indicators are presented in the City Strategy document	Sustainability is mentioned multiple times. There is a "Financially sustainable Espoo" program (pp. 23–48) which aims at balancing the spending and income of the city proactively. While sustainability is considered from many perspectives and commitment to SDGs is stated multiple times, most of the mentions to "sustainability" are in this program or refer to it. The City Strategy document is cited in full (pp. 3–16). Strategic indicators (pp. 17–21) are divided under the seven strategic goals and they are sustainability-oriented. Four of the nine City Group subsidiaries have a goal considering sustainability (pp. 88–92). All three administrative branches mention sustainability in the meaning we consider in this study. All units reflect on the "Financially sustainable Espoo" program, and some of them mention or consider sustainability in the meaning we consider in this study. (pp. 93–214)	Most of the mentions of sustainability consider the financial balance of the city and/or the "Financially sustainable Espoo" program. When considering the program, the annual report starts with "The goal of the Espoo story is the economically, socially, ecologically, and culturally sustainable growth of the city." (p. 18) The annual report also has a section "Carbon-neutral and sustainable Espoo is made together," (pp. 25–26) which mentions the city's carbon neutrality goal of 2030 and pursuing the role of forerunner in achieving the UN SDGs. Five of the eleven city group subsidiaries have a goal considering sustainability (pp. 68–85). In considering the progression of City Strategy through cross-sectional programs, it is stated that "The programs also implemented the UN Sustainable Development Goals (SDGs)." (p. 94) The city-level strategic indicators are presented by the administrative branch, and they are finance-, productivity-, and efficiency-oriented (pp. 100–131). Considering the operational economy, two of the four administrative branches consider sustainability, while all of them consider the "Financially sustainable Espoo" program (pp. 132–189)	Sustainability is clearly more emphasized in the annual report than in FS 2021. At the beginning, it is emphasized that Espoo was assessed as the most sustainable city in Europe a few years back and that succeeding in building a sustainable Espoo in the future requires working together with citizens, companies, schools, and universities (p. 2). The heading of the section mentioning the UN SDGs is changed to "Working together to address the challenges of sustainable development." (p. 23) There are similar considerations of the "Financially sustainable Espoo" program as in FS 2021. Six of the eleven city group subsidiaries have a goal considering sustainability (pp. 63–74). Unlike in FS 2021, the city-level strategic indicators are presented on a general level, as they were in the strategy document and in the budget for 2023, and they are also clearly more sustainability oriented than in FS 2021 (pp. 82–119). Considering the operational economy, three of the four administrative branches consider sustainability, while all of them consider the "Financially sustainable Espoo" program (pp. 132–189)	Published in 2020. 237 pages. Structure. Section 1 "Introduction" (pp. 7–17); Section 2 "Leave no one behind" (pp. 18–89); Section 3 "Let's do it together" (pp. 90–147); Section 4 "Accelerated action" (pp. 148–208); 17 "SDGs in Espoo" (pp. 209–234); "Conclusions" (pp. 235–237). The story is told through the elaboration of themes the city is emphasizing and doing. The related SDGs are visually presented in the appropriate themes and issues. The SDG indicators are presented in a visually attractive manner in their own section from SDG 1 to 17 (pp. 209–234). It is stated that "The work on sustainable development is based on the Espoo STory, which is a City Strategy drafted together with city residents." (p. 8)

(*continued*)

Table A2.
Analysis notes of strategic documents' consideration of sustainability and SDGs; and VLR's structure in each city

Table A2.

City	Document Strategy 2022–2025	Budget 2023	Financial statements 2021 (FS, 2021); consider earlier strategy period	Financial statements 2022 (FS, 2022); consider strategy 2022–2025	Voluntary local review (VLR)
Helsinki	"A Place of Growth" presented by the City Council on October 13, 2021. 64 pages. Sustainability is mentioned multiple times in general and especially in connection with financial or economic issues. The meaning of the word is defined in the preface (p.7): "Helsinki's future is good when it is based on sustainable growth. Sustainable growth is in harmony with ecological boundary conditions and it creates socially, economically and culturally sustainable welfare. We guide and evaluate the development of Helsinki through UN sustainable development goals." There are 13 sections in the document that describe 13 strategic goals, of which ten specifically mention the word "sustainability." In the following are some of the non-economically focused utilizations of the concept. Concerning the goal "Equal and international Helsinki" (p. 30): "Helsinki continues to report on the progress of UN sustainable development goals." Concerning the goal "Functional and beautiful city" (p. 36): "Through urban planning, the city fosters social, economic and also ecological sustainable development." Concerning the goal "Smart traffic solutions are the foundation of functional everyday life" (p. 39): "Land use is developed in a way that enables the arrangement of traffic in an economically, socially and ecologically sustainable manner." In addition, there is a mention of bringing forward the aim of the Carbon Neutral Helsinki ("Hiilineutraali Helsinki", i.e. "HNH") policy program to 2030 from 2035 (p. 23). No specific indicators are presented in the City Strategy document. Instead, it is stated that these are presented in the annual reports of the administrative branches and subsidiaries and that these will be revised for longitudinal comparability (p. 62)	Sustainability, as a word, is mentioned multiple times in general and especially in connection with financial or economic issues and goals. In the section concerning the City Strategy (pp. 21–40), the City Strategy is summarized, and it is mentioned that Helsinki will continue reporting on UN sustainable development goals (p. 31). Strategic indicators are presented as part of the elaboration of the administrative branches (pp. 77–260). One of the four administrative branches of the City, the branch of urban environment, explicitly mentions sustainability in an other than economic way. It could be interpreted that there are sustainability-related indicators in other branches too, although they are not sustainability framed (pp. 77–260). All subsidiaries have a carbon neutrality goal in connection with the "carbon neutral Helsinki" policy program (pp. 51–58)	No mention of SDGs. In other than economic connections, sustainability is mentioned as a goal and for the City's construction services under the branch of central administration (p. 71) and in the branch of urban environment (p. 84). Thus, two of the five administrative branches consider sustainability (pp. 56–110). Ecological sustainability is a mentioned and monitored strategic goal for all the 26 City Group subsidiaries, and they are connected to the Carbon Neutral Helsinki ("Hiilineutraali Helsinki", i.e. "HNH") policy program (pp. 36–45)	No mention of SDGs. In other than economic connections, sustainability is mentioned as a goal in the branch of education (pp. 83–84) and in the branch of urban environment (p. 92). That is, two of the five administrative branches consider sustainability (pp. 60–117). In ownership steering, although ecological sustainability is not mentioned, similar strategic goals and monitoring concerning carbon neutrality are in place for 23 of the 25 City Group subsidiaries, as in FS 2021	Published in 2019 (79 pages with attachments Part 1, 20 pages and Part 2, 33 pages) and in 2021 (62 pages). Structure, VLR 2019. "Introduction" (pp. 2–6); "Relations of City Strategy and SDGs" (pp. 7–13); SDG4 (pp. 14–21); SDG8 (pp. 22–35); SDG10 (pp. 36–51); SDG13 (pp. 52–61); SDG16 (pp. 62–74); "Summary and conclusions" (pp. 75–79). Part 1: Presentation of City Strategy goals and their connections to SDGs. Part 2: Presentation of SDGs, from 1 to 16, and the city's situation through SDG indicators. Structure, VLR 2021. Section 1 "Helsinki and Agenda 2030" (pp. 7–16); Section 2 "Environment" (pp. 17–24); Section 3 "People" (pp. 25–42); Section 4 "Economy" (pp. 43–57); Section 5 "Summary of indicators" (pp. 58–59); Section 6 "Summary of the sustainable development report" (p. 60); Section 7 "Report assessment by the UN Youths of Helsinki" (pp. 61–62)

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Table A2.

City	Document Strategy 2022–2025	Budget 2023	Financial statements 2021 (FS, 2021); consider earlier strategy period	Financial statements 2022 (FS, 2022); consider strategy 2022–2025	Voluntary local review (VLR)
Oulu	"Culture-climate change NOW!" presented by the City Council on January 31, 2022. 33 pages. Sustainability is specifically mentioned in three of the six strategic goals or their elaboration: 1) carbon neutrality, 2) education and culture, 3) sustainable services and employment (pp. 2–3). Also, the strategy presents three core values of the city and one of them is "responsibility," which is presented in connection with enabling choices for future generations (p. 4). Strategic indicators are presented (pp. 5–18). The three specifically sustainability-oriented strategic goals include 44 sustainability-oriented indicators concerning the theme: carbon neutrality 14 indicators (pp. 10–11), education and culture 11 indicators (pp. 12–13) and sustainable services and employment 19 indicators (pp. 16–18). While some of these indicators can be considered as common indicators for municipalities, many of them offer a novel sustainability-oriented perspective. Also, it could be argued that many indicators in the other strategic goals' points are also sustainability-oriented. One of these indicators is to deploy "sustainable development reporting" for the city (pp. 17; 31), which is further elaborated in the FS 2022 document to mean UN SDG reporting. Later in the document, all strategic indicators, their current state, and the goals set for them are presented (pp. 19–32)	Sustainability, as a word, is mentioned multiple times in general and mostly in connection with non-financial perspectives. The City Strategy 2022–2025 ("Culture-climate change NOW!") and its goals and indicators are presented in their own section, "Strategic steering" (pp. 21–56). These include the strategic indicator concerning the deployment of sustainable development reporting (p. 36). Four of the five administrative branches mention sustainability (pp. 90–139). The operational goals of the subsidiaries are not elaborated in the budget document (p. 219)	No mention of SDGs. Sustainability, as a word, is mentioned multiple times, mostly connected to policies or programs and to set goals. In the section concerning the City Strategy (2018–2022 "Brilliant Oulu"; pp. 85–100), concerning one of the three strategic goals, it is mentioned that growth is done sustainably with reference to fostering ecological traffic and by achieving carbon neutrality by 2040 (p. 85). In addition, in "Oulu's way to act" (p. 86), it is emphasized that "We arrange services in an economically, socially and ecologically sustainable manner." There are multiple (13) strategic indicators that mention "sustainability" (p. 87: 1; p. 90: 1; p. 92: 1; p. 98: 3; p. 158: 1; p. 261: 2; p. 296: 2; p. 311: 1; p. 352: 1). Four of the five administrative branches mention sustainability (pp. 113–162). Only the financial goals of the subsidiaries are presented and there are no mentions of sustainability (pp. 419–436). There are some sustainability-related issues discussed, but they are considered specifically from a financial or profit view (e.g. pp. 419–423)	Sustainability, as a word, is mentioned multiple times, mostly connected to policies or programs and to set goals. The state of fulfilment of the strategic indicator to deploy sustainable development reporting for the city is "Development of reporting in progress. The evaluation of the city's activities in relation to the implementation of the UN Sustainable Development Goals has been developed and piloted. Development of the environmental budget started, involved in the Ministry of the Environment pilot project." (p. 103) In the section concerning the City Strategy (2022–2025 "Culture-climate change NOW!"), the six strategic focal points are presented (pp. 79–80) and all strategic indicators are presented (pp. 81–104; 105–118). Four of the five administrative branches mention sustainability (pp. 130–179). Only the financial goals of the subsidiaries are presented and there are no mentions of sustainability (pp. 425–450)	No VLR report published. However, Oulu publishes the "Kestävän kehityksen katsaus" ("sustainable development review") sustainability monitoring report on SDG issues. This report has been published in 2021, 2022 and 2023. The monitoring report is based on the Mayor's Indicators connected with SDGs, and it reports the trends on the indicators as well as the state of the indicators in Oulu. The report form has been a standard 15 pages each year, and it has contained identical content with only the values in the indicator measures changing. SDGs 1–16 are considered – i.e. SDG 17 is not considered

(*continued*)

Table A2.

City	Document Strategy 2022–2025	Budget 2023	Financial statements 2021 (FS, 2021); consider earlier strategy period	Financial statements 2022 (FS, 2022); consider strategy 2022–2025	Voluntary local review (VLR)
Tampere	"The City of Action" presented by the City Council on November 15, 2011. 23 pages. One-page Mayor's preface mentions sustainability five times (p. 2): there is a demand for sustainable transition, "Tampere takes responsibility for a sustainable future"; Tampere intends to make the making of sustainable choices easy; the aim to achieve Agenda 2030 SDGs has paved the way for the preparation of the City Strategy; and "Let's work together to make a sustainable and boldly forward-looking city of action." The statement of the strategic vision (p. 3) ends with "People have come to Tampere from so many places. Competence, expertise and new ideas have met on the shores of the Tammerkoski Rapids. In the City of Action, a sustainable future is being built with this know-how." One of the four strategic goals, "Carbon-neutral action," specifically mentions sustainability. However, the strategic goals can be interpreted as sustainability-oriented and the page presenting the strategic goals includes a visual presentation of ten SDGs (p. 4). Each strategic goals' indicators can be interpreted to include some sustainability perspectives (pp. 5–20), which is further confirmed in the budget 2023 document. There is one page devoted to present UN Agenda 2030 and SDGs, the role of cities in achieving the SDGs, and the city's strategic commitment to achieving especially the specified ten SDGs. In addition, "The Tampere City Group promotes the Agenda 2030 goals as a whole through a strategic management system. The city openly evaluates, reports and communicates its actions that build a more sustainable future." (p. 22)	In the preface, sustainability is mentioned in connection with financial sustainability and "sustainable growth" (pp. 3–4). The strategic management system of the city is presented in connection with UN SDGs and regulatory requirements (p. 29). The section concerning strategic focal points' indicators states that "The table on pages 30–37 presents the targets prepared on the basis of the priorities for 2023. After each table, the UN Sustainable Development Goals (SDGs) specifically promoted by this priority are highlighted." (p. 30) This is visually done. Three of the four administrative branches mention sustainability (pp. 55–97). Concerning ownership steering, it is stated that during 2023, each subsidiarity is required to make a carbon-neutrality plan and to recognize the central SDGs that their operations concern (p. 126)	No mention of SDGs. Annual report mentions the foundation of a new committee with the task of giving statements concerning the city's traffic system issues, including sustainability (p. 13). A mention of making a program in 2022 to ensure the financial sustainability of the city (p. 19). A section on "Environmental and climate factors" considers sustainability especially from the aspects of sustainable traffic forms and city structure, energy production and consumption, consumption and material economy and carbon neutrality (p. 26). There is a presentation on the climate budget, i.e. the realized and planned progress of the city's carbon emissions, and the realized and planned activities concerning the city's carbon-neutrality road map (pp. 28–30). The strategic indicators are not especially sustainability-framed but include issues such as carbon neutrality (pp. 76–78). Three of the five administrative branches mention sustainability (pp. 85–165). Two of the 16 subsidiaries have a sustainability-oriented goal (pp. 175–178)	No mention of SDGs. Similarly to FS 2021 with similar content, the annual report has a section on "Environmental and climate factors" (p. 25) and climate budget (pp. 27–29). The strategy (2022–2025), its four focal points, and their indicators are presented (pp. 74–76) but, in contrast to the City Strategy and budget 2023 documents, sustainability is mentioned only twice and there is no reference to SDGs. Three of the five administrative branches mention sustainability (pp. 85–158). Two of the 14 subsidiaries have a sustainability-oriented goal (pp. 165–168)	Published in 2022. 72 pages. Structure. "Mayor's greetings" (p. 3); "Introduction" (p. 4); "The 2030 Agenda in Tampere" (pp. 5–6); "This is Tampere" (pp. 7–9); "Sustainable development goals in Tampere 2022" (pp. 10–70); "Building a sustainable future together" (pp. 71–72). The story is told through SDGs 1–17. In between the SDGs, "case examples" from the city are presented. The case examples are presented to relate to multiple SDGs and these SDGs are presented through the SDG icons. The connection of Agenda 2030 and SDGs to the City Strategy is considered and presented (p. 5). Instead of presenting the specific values of SDG indicators, the indicators and their sources of information and the monitoring method are presented

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Table A2.

City	Document Strategy 2022–2025	Budget 2023	Financial statements 2021 (FS, 2021); consider earlier strategy period	Financial statements 2022 (FS, 2022); consider strategy 2022–2025	Voluntary local review (VLR)
Turku	"Turku in the 2030s" presented by the City Council on February 14, 2022. 16 pages. One of the five paragraphs in the summary (p. 3) states "In Turku, a meaningful life and a sustainable lifestyle go hand in hand. We do everything in accordance with the principles of sustainable development. Turku will have achieved carbon neutrality in 2029 and will continue its climate work as a leading climate and nature city." One section (one of the eight strategic goals) is presented as "Sustainable future" (p. 5). It is stated that "The Sustainable Development Goals guide all our activities" (pp. 4; 5), "In the 2030s, we will have achieved the UN Sustainable Development Goals at the urban level" (p. 5), and all 17 SDGs are presented in a picture (p. 5). Three other strategic goals mention sustainability – i.e. all in all, four out of eight. Many of the strategic indicators of the strategic goals seem sustainability-oriented (pp. 13–15). One of the three stated values of the City is "Responsibility and equality," which is elaborated as follows "We operate in accordance with the principles of sustainable development, and we carry our responsibility for a comfortable and safe living environment and future residents of Turku. We make decisions based on the best available information. Our decision-making is consistent and transparent. We promote communality and equality." (p 16)	Mayor's Review (pp. 1–2) has a section "Sustainable Turku," which starts with "Turku of the future will be built on socially, economically and ecologically sustainable grounds" and elaborates this for one paragraph. Then, one paragraph considers the carbon neutrality aim of 2029 and its financial management (p. 2). "Introduction" presents the City's strategic goals for 2022–2025 and states that the Mayor's program guides the city for four years (the usual role of the City Strategy) (p. 3). All five of the Mayor's program spearhead projects mention sustainability (Appendix 2, pp. 1–22). The strategic goals of the Mayor's program are framed and oriented to sustainability (pp. 21–24). There is a section devoted to climate goals for 2023–2026 (pp. 25–28). All four administrative branches consider sustainability and have sustainability-oriented goals, and one of the branches mentions the UN SDGs (pp. 41–77). All of the City subsidiaries have at least one sustainability-oriented goal (pp. 85–140)	The annual report considers sustainability in the steering of the city's finances to a sustainable path (pp. 1; 17), collaborative work toward the 1.5-degree goal (p. 12), sustainable development budgeting (pp. 13–14), and a policy program focusing on the prevention of segregation (p. 15). While there is no explicit mention of SDGs, the report states that "cooperation with the City of Turku's Sustainable Development Assessment (VLR) work continued." (p. 15) Strategic operational goals are presented by administrative branches. The goals are mostly operation- and task-focused with finance and productivity indicators. Sustainability is considered by two of the six administrative branches. Only four of the 23 companies considered sustainability from other than a financial perspective: a waste management company (p. 100); a company connecting science and business (p. 107); a wastewater treatment plant (SDGs; p. 120); and two water utilities (pp. 122; 126)	The annual report considers sustainability in terms of long-term financial sustainability (p. 4; 22), carbon neutrality (p. 5), sustainable growth for the whole city (p. 5), the application of the EU taxonomy on the city's climate budget (p. 19) and sustainable traffic forms (p. 19). The progression of strategic operational goals is presented by administrative branches with information on the setter of the goals: council, board, or Mayor's program. All five administrative branches can be seen to consider sustainability issues in their goals, while four of them mention sustainability (pp. 59–123). Only two companies considered sustainability from other than a financial perspective, a waste management company (p. 130) and a wastewater treatment plant (SDGs; p. 145) and only the latter specifically mentions sustainability	Published in 2020 (89 pages) and in 2022 (89 pages). Structure, VLR 2020. Section 1 "Opening statement by the Mayor" (pp. 2–3); Section 2 "Summary" (p. 4); Section 3 "Introduction" (p. 5); Section 4 "The City's Enabling Environment" (pp. 6–7); Section 5 "Implementation of the 2030 Agenda in Turku" (pp. 8–10); Section 6 "Progress on Goals and Targets" (pp. 11–79); Section 7 "Conclusions and next steps" (pp. 80–81); Section 8 "Terms and Abbreviations" (pp. 82–83); Section 9 "Annexes" (pp. 84–89). Structure, VLR 2022. Similar sections 1-5 as in VLR 2020 (pp. 2–23); Section 6 "Cross-cutting goals" (pp. 24–37); Section 7 "Ecological sustainability" (pp. 38–49); Section 8 "Social sustainability" (pp. 50–67); Section 9 "Economic sustainability" (pp. 68–81); Section 10 "Conclusions and further measures" (pp. 82–83); Section 11 "Terminology" (p. 84); Section 12 "Abbreviations" (p. 85); Section 13 "Appendix 1 Turku VLR indicators" (pp. 86–89)

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Table A2.

City	Document Strategy 2022–2025	Budget 2023	Financial statements 2021 (FS, 2021); consider earlier strategy period	Financial statements 2022 (FS, 2022); consider strategy 2022–2025	Voluntary local review (VLR)
Vantaa	"Vantaa of Innovations" presented by the City Council on January 31, 2022. 48 pages. The vision of the City states that "Brave, easy-going, and cozy Vantaa is a forerunner of sustainability," and one of the four presented core values is "responsibility," which "means securing a good life for present and future generations. The preparation and decision-making process takes into account ecological, social, economic, and cultural perspectives." (p. 7) There are six strategic goals (p. 8) and five of them mention sustainability or responsibility in their qualitative elaboration (pp. 8–39). The indicators are also presented, and many of them measure and/or steer sustainability issues, e.g. social segregation (socio-economic index, p. 25) and carbon neutrality (demand roadmap to carbon neutrality from large subsidiaries in accordance with the city's roadmap, p. 30). The publication of VLR in 2021 is mentioned, and it will be updated every other year (p. 27). In addition, the city presents five "strategy themes" that are "partly overlapping with strategic goals" but "encompass multiple strategy periods," and that each strategy theme progresses with its own "strategic programs." (p. 40) It is mentioned that the city takes UN SDGs into account in its activities (p. 40). It is presented which SDGs each strategic theme considers (pp. 40–41). Connections of the City Strategy and other strategic documents and commitments are presented (p. 44). Strategic documents include sustainability-oriented policy programs, e.g. "Socially sustainable Vantaa" and "Resource wise roadmap." Commitments include, e.g. the council decision to publish VLR, Vantaa VLR 2021, and the signing of the New York VLR declaration in 2021	No mention of SDGs. Sustainability is mentioned in connection with a general public-sector economic perspective (p. 16), the city's strategic goals and indicators (pp. 26–41), a city policy program (p. 65), in the general wording of some units' and administrative branches' goals (pp. 89–164), and in the strategic goals and indicators of the city's subsidiaries (pp. 193–205). Six out of seven administrative branches mention sustainability (pp. 55–164). Goals and indicators of the city's subsidiaries consider sustainability only from the financial perspective (pp. 193–205)	No mention of SDGs. In the annual report, it is stated that the city has adopted the national code of conduct concerning social responsibility and human rights in procurement (p. 28). The progression of sustainable traffic forms is considered concerning the Council-set binding goals – i.e. strategic goals (pp. 77; 79). These goals consider the earlier strategy period. Sustainability-themed policy programs and their progression are mentioned: sustainable ability to work (p. 95), sustainable energy and climate plan (p. 152). Two of the seven administrative branches mention sustainability. All the presented subsidiaries have a climate responsibility-themed goal (pp. 54–66)	No mention of SDGs. In the annual report, it is emphasized that the coming into force of the city's new general plan for urban planning paves the way for the city's sustainable growth for future decades (pp. 2; 24). Sustainability-themed policy programs and their progression are mentioned: sustainable ability to work (p. 27), socially sustainable Vantaa (p. 140). The progression of the Council set binding goals, i.e. strategic goals for the city are considered (p. 79–91). The goals are very similar to earlier period's goals. They do include, e.g. carbon neutrality by 2030 (p. 87), growth of sustainable traffic forms (p. 87), and as a new addition, the fostering of the circular economy (p. 88). Three of the five administrative branches mention sustainability (pp. 98–170). All the presented subsidiaries have a climate responsibility-themed goal (pp. 56–68)	Published in 2021. 50 pages. Structure. "City Manager's greetings" (p. 2); "Summary" (p. 4); "Introduction" (p. 5); "Vantaa as a city" (pp. 6–7); "How the report was done" (pp. 8–10); "The progress on SDGs in the city from SDG 1 to 17" (pp. 11–48); "Conclusions" (pp. 48–50). The story is told through SDGs 1–17, with approximately two pages per SDG with text and indicators (with measurements and information in them). The process of VLR reporting is considered and the implementation connections of the City Strategy and strategic programs to SDGs are discussed briefly (pp. 8–9)

Source(s): Authors' own work

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PUBLICATION II

Fostering sustainability in local government: The institutional work perspective on the accounting–management nexus

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RESEARCH ARTICLE

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Fostering sustainability in local government: The institutional work perspective on the accounting–management nexus

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Abstract

Sustainability is a critical societal aim, and local governments (LGs) play an important role in fostering sustainability, as the implementation of the global aims set by the United Nations—namely, the 2030 Agenda and the Sustainable Development Goals (SDGs). The SDGs offer novel accounting, reporting, and management perspectives for LGs. The objective of the study is to understand the role of the accounting–management nexus which is needed to institutionalize sustainability in LG practices. We adopted an institutional work perspective to investigate how actors at the field, organizational, and suborganizational levels of LGs can foster sustainability in accounting and management. Based on interviews with managers and other representatives from the 18 largest LGs in Finland, we found that although sustainability integration is still in the early stages and there is considerable heterogeneity in LGs' handling of sustainability issues, there is clear potential for the simultaneous deployment of different institutional work types. This has positive implications for the institutionalization of sustainability accounting and management practices in LGs,

enhancing understanding of how sustainability is fostered in public sector accounting and management by focusing on organizational-level institutional work.

KEYWORDS
accounting, institutional Work, local Governments, management, sustainability

1 | INTRODUCTION

As concerns regarding the state of the planet have increased, sustainability has become a key management objective across societal sectors (e.g., Bebbington & Unerman, 2020). Here, "Global goals—Local actions," a common catchphrase in sustainable development policy programs, highlights the role of local interventions in global sustainability challenges. Indeed, local governments (LGs) can play a prominent role in fostering the implementation of the 2030 Agenda and helping to overcome global sustainability challenges (Ball et al., 2014; Guarini et al., 2021, 2022; Sobkowiak et al., 2020). To facilitate progress in this regard, LGs need strategies, policies, management actions, and ways to assess and evaluate their own progress and contributions to advancing sustainable development (Bebbington & Unerman, 2018, 2020; Kaur & Lodhia, 2019). New types of sustainability accounts can help LGs to transparently track their impacts, create shared visions on sustainability, motivate action, and inform decision-making (Ball & Bebbington, 2008). This realization has increased the interest of both scholars and practitioners in the ability of management and accounting practices to foster sustainable development (Bebbington & Unerman, 2018: Kaur & Lohdia, 2019; Sinervo & Laihonen, 2024)

However, extant research on sustainability accounting in the public sector remains scant (Guthrie et al., 2010), and sustainability accounting has been studied mainly in terms of reporting, for example, in the context of implementing certain reporting guidelines (Goswami & Lodhia, 2014; Greco et al., 2012, 2015; Greiling et al., 2015; Hossain, 2018; Niemann & Hoppe, 2018). Research on sustainability accounting in LGs has displayed limited effects of new accounts at the organizational level, highlighting that it is insufficient that LGs increase their sustainability reporting: new accounting practices need to be institutionalized as part of organizational practices for them to have real-life impacts on sustainability. Thus, how sustainability accounting entwines with local governance warrants more research attention (Ball & Bebbington, 2008; Stafford et al., 2020), and a more thorough understanding is needed on the ways how new accounts are integrated into the management practices of LGs (Adams et al., 2014; Gunluk-Senesen, 2021; Luhtala et al., 2024). Accordingly, in this study, we focus on the accounting–management nexus, which signifies how accounting information is utilized by management for decision-making purposes, and how sustainability accounts shape organizational practices.

This study extends the current understanding of the role of both agency and context in the institutionalization of sustainability in public sector accounting and management practices. We elucidate the role of different actors in this process by using sustainability accounting as a "domain theory" and institutional work as a "method theory" (Lukka & Vinnari, 2014). Through institutional work perspective as our method theory (Lukka & Vinnari, 2014), we focus on how different actors apply cultural, political, and technical institutional work in the deployment of sustainability accounting and integration of sustainability accounts as part of management practices of LGs. In so doing, we aim to address the following research questions: What is done to institutionalize new sustainability accounting practices and connect them with management practices? And how does this aid LGs to foster sustainable development?

To answer the research questions, we adopted a qualitative research approach and used data collected via semistructured interviews with different professionals involved in the deployment and institutionalization of new sustainability accounts and management practices including sustainability specialists and coordinators, financial

managers, strategic managers, and branch managers from LGs across Finland ($n = 46$). An interview-based research approach was chosen because it facilitates a rich and in-depth understanding of the contextual determinants of management and accounting practices' institutionalization (Tucker, 2020).

The study makes both conceptual and empirical contributions to the literature on sustainability accounting in LGs and the management of LGs. Moreover, by focusing on the organizational level of institutionalization, this study extends previous findings, which primarily highlighted field-level institutional changes (Farooq & De Villiers, 2018; Silvola & Vinnari, 2021).

This article proceeds as follows. In the next section, we review the research on the sustainability, accounting, and management of public sector organizations and introduce institutional work as a theoretical framework. Next, we describe our research approach and methodology. Subsequently, based on the interview data, we outline the results concerning the different types of institutional work used to foster sustainability in management and accounting practices. Finally, we discuss the results and then present our conclusions and suggestions for future research.

2 | THEORETICAL BACKGROUND

2.1 | Public sector accounting and sustainability

Sustainability perspectives are not part of mainstream accounting research (Bebbington & Unerman, 2020). However, interest in sustainability in the field has grown steadily in recent decades, particularly in the corporate context (Di Vaio et al., 2021; Manes-Rossi & Nicolo, 2022; O'Dwyer et al., 2011) and to some extent in the area of the public sector (Cohen et al., 2023; Di Vaio & Varriale, 2020; Guthrie et al., 2017). More research on sustainability accounting in public and LG contexts is needed (e.g., Adams et al., 2014; Guthrie et al., 2010). Fusco and Ricci (2019) performed a bibliometric analysis of the literature on social and environmental accounting research in the public sector to assess the state-of-the-art in the field. Their review highlighted how most studies addressed why, how, and to whom public organizations report. In addition, the authors found a clear and distinct research agenda to be missing and indicated the difficulties in implementing existing standards, although they also showed that there have been limited attempts to consider these issues in detail, with only a few studies focusing on the institutional factors influencing the adoption of new types of accounts, their role in the organization, and effects on management practices.

The question of what motivates LGs to pay attention to sustainability and produce sustainability reports has been addressed in extant research focused on local contexts. Marcuccio and Steccolini (2005) approached the adoption of social and environmental reporting based on two theoretical explanations: institutional and rational arguments. They showed that even when social and environmental reporting is adopted to address 'technical' gaps, it is important to signal that local authorities are adopting a tool that is gaining momentum in the academic and professional discourse. Imtiaz Ferdous et al. (2019) investigated the adoption of environmental management accounting in corporatized water-supply organizations. They found that the key drivers of this adoption are the emergence of a government regulator and community expectations regarding environmental performance and disclosure. In 2011, the Spanish government declared sustainability accounting mandatory for public sector organizations. Larrinaga et al. (2018) investigated the adoption of the new mandatory sustainability accounts, observing a lack of alignment between new sustainability accounting demands and sustainable development, indicating how weak sustainability programs can be in relation to social and political changes.

As studies focused on motivations for sustainability accounting and reporting point out, LGs likely face a number of often external and internal factors that inspire them to pay attention to sustainability and account for their sustainability performance. However, as the Spanish case presented by Larrinaga et al. (2018) points out, even when accounting is made mandatory, weak institutionalization of new accounts may hinder their capacity to instigate organizational change toward sustainability. This directs focus toward the question of how new accounts come to life in organizational settings and start to shape existing management practices. This has been investigated, for instance, by Guarini

et al. (2022), who studied how Italian capital cities have integrated the SDGs into their strategic plans, finding that very few cities have considered the SDGs and that their integration remains in the early stages. Similarly, Bracci and Tallaki (2013) studied Italian LGs and noted that the adoption of sustainability accounting represented a management fad rather than a conscious process of organizational change toward sustainability.

Russell and Thompson (2008) studied the role of accounting in relation to the wider transformation of sustainability and the accounting–management nexus. They considered accounting to be a means of making processes and activities 'thinkable' and 'governable' and found that sustainable development indicators identified and included in accounting techniques can define priorities, determine sustainable actions, evaluate policy options, and legitimate government interventions, albeit only if they are properly designed (Russell & Thompson, 2008, p. 367). To support the success of the sustainability transformation, the indicators must include conceptual definitions of sustainability and be aligned with public sector organizations' strategies and performance-measurement systems. Similarly, Brorström (2018) explored how translating qualitative values into numbers can make the city governable, highlighting certain sustainability issues as strategically important while omitting others. These studies not only emphasize the role of sustainability accounting as part of local governance but also raise issues related to the adaptation of the new accounts as part of institutionalized management practices and draw attention to the power relations and social dynamics that influence this process.

Additionally, Thomson et al. (2014) explored both theoretically and empirically the role of accounting in shaping and reshaping sustainability practices by considering a range of accounting techniques previously referred to as social, environmental, ethical, and responsibility accounting. Such accounting practices are considered central to embedding sustainability within public sector organizations that act as intermediaries between government reform programs and local service imperatives. Thomson et al. (2014) also found that mediating instruments are required to translate sustainable reform programs into local organizations and that such instruments can foster capacities for broader sustainability transformations. However, several factors can hinder this process, including the structural constraints stemming from relatively weak local sustainability programs and the pressing need to satisfy increasing service delivery expectations during a period of severe resource constraints.

In recent research, Brorström (2021) explored the role of calculative practices in strategy formulation and implementation in the Swedish LG context and recorded how accounts for new sustainable urban visions were, at certain observation points, adapted to the existing organization while at other stages calculative practices were used to challenge the existing organizational system and constitute new strategic direction. The study highlights the contrasting involvements of different professionals in creating sustainability performance measurements and using them in formulating strategic actions. However, as Brorström (2021, p. 13) points out, "the importance of adapting to the existing system in a generic and effective way entails strengthening the very system that was questioned," that is, integration of accounts in organizational decision-making led to radical sustainability visions becoming strongly subdued by financial and administrative control of the prevailing institutional arrangement. Despite a variety of existing perspectives, a limited number of prior studies in the public sector and, in particular, in the LG context highlight the need to increase understanding of the working of sustainability accounting in public sector organizations, and as a part of local governance. To foster sustainability, LGs need to render many complex dimensions related to the sustainability of their actions governable and thinkable through new accounts, integrate them into their strategies, and translate strategic goals and commitments into new operating conditions for organizations (O'Dwyer & Unerman, 2020). However, although there are some studies on the (success factors related to the) implementation of new administrative or accounting practices, the role of different organizational actors in the formation, deployment, and institutionalization of new accounting practices remains relatively underexplored. Thus, there is a need for studies on the role and impact of different actors in the creation and implementation of accounting–management practices intended to promote sustainable development. This article aims to fill the identified research gaps, thereby generating new knowledge on the role and impact of LG actors in the promotion of sustainable development through the accounting–management nexus. The next section will introduce the theoretical lens used to analyze this accounting–management nexus in detail.

2.2 | Institutional work perspective

In this study, we conceptualize accounting as social and institutional practice (Busco et al., 2007; Hopwood & Miller, 1994) that is embedded in and shaped by wider social and institutional context. In this vein, we analyze the accounting–management nexus as a form of institutional change perspective, whereby routinized and taken-for-granted ways of "doing" accounting and management undergo notable transformations.

Institutionalization is the subject of an ongoing debate regarding whether it should be considered primarily a structural phenomenon that occurs through isomorphic processes guided by field-level institutional pressures and logics, which serve as prescriptions and rules guiding individual and collective agency (Glynn & D'Aunno, 2023), or whether the more substantial role of agency in institutional transformations should be focused on. This division has given rise to the institutional work (IW) perspective that considers both the role of agency and context in institutional change processes and has been widely employed as an analytical concept in accounting research (Modell, 2022).

Despite being subject to a variety of interpretations and wide-ranging discussions, IW can be essentially defined as "the purposive action of individuals and organisations aimed at creating, maintaining, and disrupting institutions" (Lawrence & Suddaby, 2006, p. 215). Creation focuses on the emergence of new institutions and is typically associated with altered meanings, beliefs, and political work within organizations. Maintenance represents the active reproduction of the prevailing institutional order via adherence to and reproduction of existing rules, norms, and belief systems, whereas disruption of existing institutions is achieved by undermining taken-for-granted assumptions and the cognitive, cultural, and normative foundations of established practices (Lawrence & Suddaby, 2006).

Reflecting further on the implications of IW, Lawrence et al. (2009) argued that it can be visible and dramatic or nearly invisible and mundane, whereas the levels of actors' intent can vary. Hence, the exploration of IW entails consideration of a set of activities rather than a set of accomplishments or end results, and whereas it may be directed toward a specific type of institutional change (i.e., deployment of accounting and management practices to foster sustainability), change within institutions may differ significantly from what the actors involved originally conceived because IW is always constrained by preexisting institutionalized practices, values, and rules (Lawrence et al., 2009, p. 11). That is, the agency of IW is institutionally embedded, which implies that it is "always conditioned, albeit not determined, by pre-existing institution" (Modell, 2022, p. 35).

Besides highlighting various interpretations of institutional change, prior studies also distinguished different forms of IW that actors can use to change, disrupt, and maintain institutions. For instance, Perkmann and Spicer (2008) classified IW into cultural, political, and technical types. In detail, political IW involves forming advocacy coalitions for new management practices and establishing connections between institutions and the broader institutional systems and rules governing the adoption of new practices and ideas. Technical IW involves developing prescriptions and recommendations for the functioning of new material, cognitive, and normative patterns. The subtypes of technical IW include mimicry, theorizing and educating (Lawrence & Suddaby, 2006), for example, linking a new practice to existing practices by creating technologies and rules, theorizing concerns regarding the creation of abstractions and new models, and developing actors' knowledge and skills to support the new patterns being adopted. Cultural IW manipulates existing values, belief systems, identities, and normative associations. In other words, cultural IW influences actors' views on what is important, what is taken for granted, and how different roles are perceived.

Perkmann and Spicer (2008) suggested that institutionalization effects are stronger if the different types of IW are deployed simultaneously. Here, new management ideas are more likely to be deployed via the decentralized participation of multiple actors with varying positions and skillsets rather than by a singular institutional entrepreneur, which shows IW to be an institutionally embedded multilevel phenomenon (Hampel et al., 2017; Lawrence & Suddaby, 2006). In this paper, we adopt Perkmann and Spicer's (2008) classification and utilize the IW perspective to study the accounting–management nexus.

Prior accounting research has extensively applied the IW perspective to examine the changing roles and domains of the accounting profession (Aburous, 2019; Goretzki et al., 2013; Guo, 2016; Suddaby et al., 2015), thereby studying regulatory changes and the creation of new accounting regulations and standards (Canning & O'Dwyer, 2016; Hayne

& Free, 2014; Troshani et al., 2018), investigating how accounting can be strategically leveraged in relation to institutional change processes (Hiebl, 2018; Knardal & Burns, 2021; Wanderley et al., 2021), and revealing the processes behind the institutionalization of new accounting practices (Chiwamit et al., 2014; Cruz et al., 2009; Farooq & De Villiers, 2018; Lagström & Österberg, 2020; Silvola & Vinnari, 2021; Siti-Nabiha & Jurnali, 2020).

With regard to the sustainability field, there is an ongoing discussion concerning the institutionalization of new sustainability-related accounting and assurance practices. For instance, Farooq and De Villiers (2018) investigated how the IW of actors participating in active competition between accounting and nonaccounting sustainability assurance shapes the institutionalization and practices of sustainability assurance. Moreover, Silvola and Vinnari (2021) connected IW to institutional logic and investigated cultural, political, and technical IW during the uptake of new sustainability assurance practices. Although these studies primarily highlighted field-level institutional changes, Arroyo (2012) refocused the application of IW and demonstrated how firms integrate environmental and social concerns into their management accounting systems, providing a processual model of institutional change that considers organizational and management accounting changes in parallel. She noted that such changes do not always entail a disruption of traditional management accounting practices, as they can involve the integration of environmental and social issues within existing systems. Furthermore, if new practices emerge, they may serve as a mere façade while prevailing routines and norms remain relatively intact.

In this study, we take a step further regarding the adoption of the IW perspective in sustainability accounting research and use it as a "method theory" (Lukka & Vinnari, 2014) for investigating the accounting–management nexus for fostering sustainable development.

3 | RESEARCH METHODS

Methodologically, we employed a qualitative research approach based on semistructured interview data (Saunders et al., 2019; Tucker, 2020) to explore how different actors use cultural, political, and technical IW in the deployment of accounting and management practices intended to foster sustainability in LGs. This approach provided detailed information about the conditions, critical events, and processes, which may also lead to theoretical implications (cf. Patton, 1999; Tucker, 2020). Our informants all play a key role in their LGs in terms of developing and implementing sustainability strategies that form the foundation for management and accounting practices; therefore, we considered a qualitative approach, especially interview-based data collection, to be appropriate for developing an in-depth understanding of the creation and development of sustainability accounting and management practices in LGs (cf. Tucker, 2020).

3.1 | Finnish local government as the empirical context

Finland represents an interesting context for this study because of the active national and local implementation efforts concerning the 2030 Agenda, the extensive autonomy of LGs, and the ambitious attempts to account for the SDGs and integrate SDG accounting into managerial practices in LGs (Kettunen et al., 2020). In the UN Sustainable Development Solutions Network Ranking, Finland was ranked among the top three countries for several years before achieving the top spot in 2022 (Sachs et al., 2022). In addition, Finland was among the first countries to conduct comprehensive evaluations of the national implementation of the 2030 Agenda (Ylönen & Salmivaara, 2021) and to adopt Voluntary Local Reviews (VLRs), with the capital city of Helsinki being the first in Finland to do so in 2019.

Finnish LGs are characterized by strong self-governance, financial autonomy, and independence from the state hierarchy (Vakkala et al., 2021). LGs are responsible for delivering public services such as education and culture, urban planning, land use, infrastructure, and economic development, which renders them an intriguing empirical context from a sustainability viewpoint. Sustainability is enshrined in the Finnish Local Government Act (410/2015, section 1),

which mandates that "Municipalities shall advance the well-being of their residents and the vitality of their respective areas and shall arrange services for their residents in a way that is financially, socially and environmentally sustainable." Although there is no regulation or strong steering by the central government, LGs often highlight sustainability issues in their mandatory strategy documents and have started to integrate sustainability into their reporting and budgeting processes. The six largest cities in Finland—Helsinki, Espoo, Tampere, Vantaa, Turku, and Oulu—have made official commitments to promote sustainable development in accordance with the 2030 Agenda by issuing an official statement during the Eurocities 2022 proceedings, with four committing to conducting VLRs of their progress toward the SDGs on a regular basis. In this study, we move beyond prior insights concerning Finnish LGs that focus on strategic work (Kettunen et al., 2020; Lähteenoja et al., 2021) and examine the managerial–accounting practices intended to foster sustainability.

3.2 | Data collection

As the primary source of empirical data, we conducted in-depth semistructured interviews with representatives of 18 of the 25 largest LGs in Finland (from a total of 309 LGs). The population of the selected 18 cities varies from 45,000 to over 650,000 inhabitants. Although our study did not intend to draw comparisons across LGs, we acknowledged the inherent differences in needs and resources among them. Recognizing such heterogeneity, our focus was on identifying the actors, understanding their actions in relation to sustainability, and examining the approaches they employ in their LGs. Essentially, our aim was to delineate the various types of IW, thereby capturing diverse perspectives from various organizational levels, ranging from managers to operational experts and coordinators.

The data collection process was performed in two main stages. The first stage, conducted from October to November 2022, aimed to establish a broad understanding of sustainability practices within the LGs and develop an initial overview of the ongoing activities in this area. During this stage, interviews were conducted with branch managers ($n = 13$) representing the education and culture services divisions, urban planning and economic development service divisions, along with financial managers ($n = 12$) from 17 LGs. Following this, the second round of interviews was conducted from November 2022 to March 2023 and focused on capturing the nuances of fostering sustainability in accounting and management in LGs. At this stage, we aimed to delve deeper into the roles of actors involved in the adoption of sustainability and their specific activities in this process. We used a snowball sampling approach and requested that the interviewees suggest individuals who have been actively involved in producing, deploying, and integrating sustainability in the managerial and accounting practices of their LGs. During the second round, we interviewed sustainability specialists ($n = 10$), strategic managers ($n = 7$), ownership and steering representatives ($n = 2$), and two representatives of municipally owned corporations ($n = 2$).

In total, we interviewed 46 key individuals (see Table 1). The interviews were conducted online, either in a group or individual format, depending on the participants' preference, and lasted approximately 1–1.5 hours each. The online setting allowed us greater access to the available interviewees in terms of different geographical locations, whereas the video-based format represented the closest equivalent to an in-person interview experience (Lobe et al., 2022). Conducted in Finnish or English, all the interviews were recorded and transcribed verbatim for analysis.

During the first stage of data collection, the semistructured thematic interviews dealt with the themes of the aims and values of sustainability in LG management, sustainability in the work duties of the interviewees, and ways and practices for managing sustainability. In each interview, the interviewees were asked to provide concrete examples of practices intended to foster sustainability in their LG. During the second stage, the themes of the interviews covered how the interviewees perceive and interpret the international and national developments that contributed to their LGs considering sustainability as an objective, what policies and programs the LGs take part in, how both sustainability and the SDGs are integrated into the LGs' management, how SDG reporting is performed in the LGs, and what routines or governance structures were created to facilitate SDG reporting.

TABLE 1 Conducted interviews.

Round 1 (Oct–Nov 2022)	**Round 2** (Nov 2022–March 2023)
Aim: Obtain a general overview of sustainability in accounting and management practices in LGs.	**Aim**: Define the roles and activities of actors involved in the process of adopting sustainability in accounting and management practices in LGs.
Interviewees	**Interviewees**
From 17 local governments: Branch managers from education and culture service divisions ($n = 6$) Branch managers from urban planning and economic development service divisions ($n = 6$) Financial managers ($n = 13$)	**Local government #1** Affairs manager Urban environment division specialist Urban environment division specialist Branch developer Information management specialist Strategic manager
	Local government #2 SDG coordinator Strategic manager City-owned company's representative
	Local government #3 Ownership steering specialist Strategic manager SDG coordinator
	Local government #4 City-owned company's representative SDG coordinator Sustainability specialist Urban environment division specialist
	Local government #5 SDG coordinator Sustainability specialist
	Local government #6 Strategic manager SDG coordinator Sustainability specialist
Total ($n = 25$) 12 branch managers 13 financial managers	**Total ($n = 21$)** 11 sustainability specialists 6 strategic managers 2 representatives of ownership and steering 2 representatives of municipally owned corporations

3.3 | Data analysis

Atlas.ti software was used to code the data enabling us to keep an audit trail of the coding easier and faster than not using computer-assisted qualitative data analysis software. First, to examine the fostering of sustainability in practice deployment through inductive coding, we followed the approach of Silvola and Vinnari (2021) and employed a typology with three types of IW—namely, cultural, political, and technical—as our point of departure (Saunders et al., 2019, pp. 651–660). Second, we identified actors and what they did to foster sustainability. Finally, the third coding dimension was the level of action: the field level represents activities beyond the LG group (i.e., the LG and its subsidiaries), such as interactions between LGs; the organizational level represents the activities within the LG group; and the suborganizational level refers to the activities of a certain unit or subsidiary. The data were reviewed by the entire research team with multiple discussions of the codes during the coding process that was actually carried out by four

out of five authors. This was intended to enhance the data consistency and validity. During the triangulation process, each author first analyzed the data separately, and then the group reviewed the individual findings, perceptions, and interpretations to analyze and categorize the data (cf. Miles et al., 2019; Patton, 1999).

Often, the interviewees directly identified the actors performing the IW, whereas in some instances, the actor identification required additional clarification and interpretation by the authors—for example, when an interviewee described the actor as "us" or "we"—to infer whether the implied actor was a team, unit, or organization. In the majority of cases, it was possible to infer this from the context. Thus, we generated a pool of actors during the coding process. When analyzing the interview data, we amalgamated the actors into constellations, such as administration officials, to enhance the comprehensiveness of the text to the readers.

We interpreted the sustainability-fostering activities of the actors based on the interviewees' descriptions. Initially, we coded the relevant citations by the type(s) of IW and by the level of activity represented by the described activities. This enabled us to locate the data into compartments which enabled interpretive analysis: After the coding, we considered the citations based on the type of IW and the level of activity, for example, cultural IW at the field level. By analyzing the data in this way, we interpreted the actors' activities.

4 | RESULTS

4.1 | Technical IW

Field level. Foundations of the institutionalization of new sustainability accounts in LGs can be traced back to "the main international players" (SDG Coordinator), including UN, UN-Habitat, and EU Joint Research Centre mentioned by the interviewees. The UN General Assembly assigned the UN-Habitat Programme with the responsibility of establishing the Global Urban Monitoring Framework (UMF) to monitor the advancement of the SDGs at the local level. The UMF and the support programs by the UN-Habitat Programme (e.g., UN-Habitat's SDG Cities Flagship Programme formed a basis for a new subnational evaluation format, VLRs, and associated guidelines for drafting them. The Joint Research Centre of the European Commission piloted and published the *European Handbook for SDG Voluntary Local Reviews*, in which one of the Finnish cities was part of the piloting of the *Handbook*'s methodological approach for monitoring SDGs.

In translating the new monitoring and reporting approaches into practice and building technical capabilities for their implementation, particular importance was assigned to supranational networks formed by Finnish LGs for collective sensemaking on Agenda 2030 implementation with the help of, for example, Kuntaliitto (the Association of Finnish Municipalities), and the Strategic Management of SDG Goals in Cities Network that the association facilitated. LGs codeveloped and effectively disseminated ways to measure their sustainability performance. In the network, Finland´s six largest cities codeveloped and piloted the SDG Analysis Process tool. The tool was based on an interactive workshop method through which cities can identify main SDGs, supporting SDGs, and SDGs at risk in relation to the specific topic at different levels, and set performance goals and targets for specific projects. In addition, the cities developed SDG Analysis Canvas for Municipal Steering Documents to identify connections between steering documents and different SDGs. According to the interviewees, technical work carried out by the large cities in these networks was intended to advance work across the whole LG sector in Finland.

Networks played an important role in educating and building the technical capabilities of key professionals responsible for the deployment and institutionalization of new sustainability accounts in their respective LGs. In particular, the sustainability coordinators from various municipalities emphasized the benefits of engaging in national and international networking activities, considering them a source of relevant information exchange, professional assistance, and training in handling sustainability issues locally. In other words, through networks, the sustainability coordinators, whose responsibilities included functional aspects of sustainability integration, could develop a shared understanding of the practical side of deploying sustainability internally: "And we are also able to learn a lot through that cooperation. And it's really, really important for us!" (Sustainability Coordinator).

Organizational level. At the organizational level, the primary actors responsible for technical IW resided in the city administration. Depending on resource availability, an LG appointed a specialist or unit responsible for the actual work directly related to sustainability or the SDGs in a certain municipality, for example, integrating sustainability and the SDGs in strategic documents, budget plans and reporting, and drafting VLRs. In this regard, in some municipalities, entire sustainability teams were introduced to handle the wide range of related questions, whereas in others, this responsibility was delegated to an LG's strategy unit, and in others still, a so-called SDG coordinator was appointed to serve as a mediator when establishing interactions between multiple departments and gathering sustainability-related data from different units and divisions of the municipality for further analysis and reporting. The cities also gathered internal networks of individuals from different branches of LG often termed "SDG Working Groups," including individual representatives from infrastructure development and urban environmental services and education and cultural services. This allowed more oversight on what actions are taken at the grassroots level at different branches of LGs. Bringing sustainability as "an issue of the central administration" was described as an important shift for LGs:

> So, rules, routines, in a way, they are also in progress because I think that the sustainable development is within our central administration – because we have a guiding role in our city – so it was a big change that we… we thought that sustainable development is in our central administration. We have a lot of different kind of themes or tasks which are kind of city level, but they are located in our service branches. So, the task importance of sustainability was kind of recognized when it was taken in central administration. (Sustainability coordinator)

> It's very, very good, like a strength in the big cities now that they have really changed the sustainability issues from the environmental departments to the central administration and even up to the strategy unit—close to the strategy. (SDGs coordinator)

The SDG work in the biggest Finnish cities and tools piloted by them such as SDG Canvas and SDG Analysis Process became benchmarks for the other LGs in recognizing the connections with their work and SDGs. However, under resource constraints, most of the LGs were more interested in understanding "what we already have" (interviewee) than creating alternative and sustainable new accounts and made considerable efforts to connect their current accounts and policy programs with SDGs and Agenda 2030. The new tools for assisting in the creation of sustainability accounts were oriented around the thinking that LGs advance sustainability in many ways already, and these actions simply need to be made visible, as the following extract from the interview data displays:

> Through measuring the effectiveness of the various follow-up reporting [mandated by law], the aim is to make sure that these [sustainable development] goals have also been achieved. One could say that we are advancing this theme [sustainability] through our normal management processes. (Branch manager)

To recognize and bring together their contributions at the organizational level, LGs underwent extensive scanning of their divergent strategic documents and programs. This was reflected in the VLRs in cities that had published them.

> We have many programs in the city. At least 40 or 50 different kind of programs that promote some kind of aspect to SDGs or sustainable development. It might, be for example, in environmental point of view we have this Carbon Neutral City and Climate Roadmap. All kinds of programs that are concerning kind of point of view of how to get better at this narrow field [of ecological sustainability]. In these programs we have done analysis what SDGs these programs promote and picked there some metrics and

> measures, how to measure this phenomenon in our city and how it gets better – or does it. (Sustainability specialist)

This produced new visibilities on sustainability at the organizational level, and together with administrative structures, created infrastructure necessary for new practice deployment. Scanning of the existing performance systems allowed LGs to also identify the gaps in information production, which set forth search and development for new sustainability performance metrics and indicators.

Suborganizational level. At the suborganizational level, cities grappled with fragmented and siloed organizational structures with heterogeneous activities from early childhood education to infrastructure development. Several interviewees recognized heterogeneity in the ways sustainability was understood across the organization, in the readiness level of the different parts such as departments and city-owned companies to adopt new frameworks and produce sustainability-related accounts, and current accounting and management practices. Sustainability Working Groups played an important role in many cities and municipalities in gathering and dispensing information on sustainability and fostering technical capabilities and know-how on how to account and track the progress at the department or unit level. At the unit level, sectoral networks (i.e., networks around sustainability thematic in the education sector or in water management) were considered important, and some organizational units were described to be "highly proactive" and "more advanced than others" (interviewees). This was a challenge for central coordination and the production of uniform accounts. Alternative new accounts and new SDG analysis tools were typically not employed organization-wide but piloted in niche areas such as specific projects and programs. Some cities, aspiring to become "climate-wise" and "smart," had acquired alternative accounts for specific purposes and drafted different scenarios and new performance indicators. These more future-looking and alternative metrics were used in project settings and often not integrated with accounting or management practices, as an interviewee describes:

> We have noticed that we have been buying data, material, and reports a hell of a much but not using them so much. So now we have actually cut off a lot of material and data that we are that we have been using or buying or not using so much but buying anyway and now we have the set in the strategy indicators that we are following, and then we have these VLR indicators as kind of additional, separate, but it's enormously big. (Strategic manager)

Creating oversight and developing common guidelines for sustainability accounting not only for different departments and units but also for city-owned companies was one of the themes that several interviewees mentioned. This was typically done in collaboration with central administration ownership and steering specialists, and the companies. Some cities had already implemented responsibility reporting guidelines, whereas others did not have common reporting requirements. In general, SDGs were described as emerging and developing thematic:

> SDG reporting is also touching city-owned companies but… it was not very throughout analysis of the city companies, and we noticed that there is a clearer need to guide the companies in the SDG matters. We are trying to develop that now. We are searching for the opportunities how to develop this reporting, the whole SDG process, and steering of the companies. Strategy unit has been vital part in this together with climate unit which has kind of been the forerunner in the sustainability issues. So, we have worked together to kind of put all the sustainability reporting of the subsidiary companies into one format. (Sustainability coordinator)

4.2 | Political IW

Field level. When scrutinizing the political IW taking place at the field level, it became clear that frontrunner cities "spread the gospel" of the SDGs (SDG Coordinator) across the networks of Finnish LGs. For instance, the Network of

Strategic Management of the SDGs seeks to connect field-level best practices with SDG deployment in frontrunner cities by establishing connections between institutions and the broader institutional systems and rules that govern the adoption of new practices and ideas. Moreover, it appears that peer pressure from other cities affects political IW. Indeed, peer pressure, good examples, and benchmarks from other cities can all be used to advocate for sustainability and the SDGs. This was considered an impactful way of pushing sustainability in cities' agendas: "[I] think, like, the most important thing has been, like, the peer pressure from the other cities, other municipalities" (Sustainability coordinator). The data also show that the Finnish frontrunner cities seek best practices from global cities (e.g., New York, Barcelona, Paris) and, as national frontrunners, are typically home to the biggest LGs, with smaller cities often using them as benchmarks. By contrast, smaller cities are rarely used as benchmarks by their larger counterparts.

At the field level, the role of Kuntaliitto as a key national actor impacted the Finnish LGs in terms of their political IW. Kuntaliitto's guidelines and authority were used as leverage to advocate for the importance of sustainability and the SDGs in LGs:

> Kuntaliitto offers guidance, it plays the main role in getting the terminology into the city strategy, which is, of course, words, unfortunately, and contradictory words in many places, but maybe that sort of guidance. (Sustainability coordinator)

Organizational level. At the organizational level, political IW for institutionalizing sustainability accounting as part of management practices exhibited more concrete forms, mainly through actions of sustainability coordinators and Sustainability Working Groups, who sought to raise awareness and foster acceptance of sustainability and SDGs across the LGs. The coordinators spoke about "momentum for change" (Sustainability coordinator) and the need to "sell the idea" (Development manager). At the organizational level, mayors, city managers, and members of executive boards were all regarded as key actors who needed to be convinced of sustainability's importance and whose support was desired. As one interviewee emphasized:

> In real life, it's still difficult, and the main thing that I'm working on at the moment is really to raise awareness and bring this kind of understanding. And then I'll try to get people to understand. (Sustainability coordinator)

In particular, interviewees felt that in order to institutionalize sustainability development as part of management, SDG commitments should be included in the strategy and concentrated their efforts at strategy work. The data showed that, in many Finnish municipalities, integration of SDGs into the strategy was already achieved. Moreover, in some cases, sustainability issues were concretely included among IW duties:

> We have, in our central administration of the city, a new 'kanslia' [head unit] whose main task is to pursue these goals and also to build models to support this thinking: for the SDGs to be more familiar to us and connected to our work in the city. (Urban environment specialist)

Part of the political IW involved identifying "windows of opportunity" for the advocacy and promotion of sustainability and the SDGs. In the data, these windows involved, for example, management and administrative reforms "when the whole organisation was open and there was good momentum." In addition, the publication of a VLR with favorable timing could be a "now or never" (Sustainability coordinator) opportunity to bring sustainability accounts from the margins and integrate them as core principles of central management. However, coordinators and working groups also faced challenges when drawing more political attention to sustainability and trying to integrate SDGs as part of the key management processes. As one of the interviewees described:

> So, because sustainability is often seen by politicians as the same issue as climate work or environmental protection or anything in that regard, so environmental protection is the same for them as sustainable development goals. They don´t know or understand that there are also these other aspects to it. So, it means that it [sustainability] can become a political debate before whatever elections so that right-wing parties think that this is something that the greens [Green party] do, and we need to think about other aspects, which is very, very unfortunate and kind of makes it difficult. I mean it takes so much communication to make it understood in general level in decision-making, what sustainability includes, that it has these different dimensions. (Strategic manager)

Thus, the suborganizational sustainability groups relayed on supra-organizational level networks and authority of influential bodies in bringing SDGs and Agenda 2030 as part of the strategic management of LGs. Other important actors at the organizational level included branch managers and financial managers, who, as part of their IW, promoted sustainability issues and the SDGs and connected them to managerial and accounting practices, such as budgeting, public procurement, use of public–private models in service production, and use of green funding. Production of these new accounts and bridging connections with existing accounts and sustainability programmatic helped to concretize the LGs state and progress and bring them into the "political arena," emphasizing the mutually reinforcing relationship of political and technical IW.

> When we get these SDG issues put into words and we get them visible and we somehow get them in front of decision-makers, somehow, these diagrams and results and indicators, then it could be a way forward. (Development expert)

However, many interviewees recognized the potential for conflicts between the SDGs and political valuations. Bringing SDGs as part of LG politics and strategic integration meant that while the spirit of Agenda 2030 could serve as a point of departure in the strategy work, strategies were shaped by local political priorities and SDGs were then connected to them, as the quote below describes. This approach was followed in most LGs, resulting in SDGs not creating alternative future visions or contesting strategies, but used to support, direct, and strengthen conventional management.

> So, these [SDGs] are an important sustainable development thing, but I think it's the wrong approach [to look at SDGs first]. You need to look at the main organisation [first]. Why? What is the main purpose of a municipality? How should the organisation work? And then you bring in these qualities or values like sustainable development. If you do it the other way around, then… as this is a representative democracy with elections, then these values might change. [Otherwise] you drop the whole unit or engine. So, now we are not making the SDGs too big, although they are an integrated part of the city organisation. (Strategic manager)

Therefore, in the municipal strategy, the SDGs served as a framework through which local values could be represented. However, the VLR—a separate document with no normative position—allowed the administration experts to consider and present the SDGs and their indicators more freely. Here, political IW coalesces with cultural IW.

Suborganizational level. Political IW performed at the suborganizational level included advocacy activities similar to those at the organizational level. This suborganizational-level political IW often entailed building bridges across administrative silos and creating networks within LG organizations. The suborganizational political IW related to cultural IW because its aim was to foster a shared understanding of the value and importance of sustainability and the SGDs in the daily work of various professionals. This required recurring discussions in both formal and informal arenas, and organizing events through which SDGs and Agenda 2030 were promoted:

> We have had some kind of working day with our directors about diversity and inclusion so that they would just, somehow, open their eyes … And we really need to do more of this work. (Sustainability expert)

New accounts, strategy integration, and involvement of central administration helped in achieving wider awareness and acceptance and placing sustainability on formal and informal agendas across subunits of LGs. Interviewees described, in particular, VLRs as a medium to raise awareness, acceptance, and commitment. Although VLR accounting processes were centrally coordinated, various units engaged in them through providing their input and information about their own activities.

4.3 | Cultural IW

Field level. LG networks were described as important mediums for cultural IW. For example, the Aalborg Charter of 1994 and the Aalborg Commitments of 2004 describe LGs' agency and orientation in relation to sustainable values. Cultural IW in the Strategic Management of SDG Goals in Cities Network was also recognized. Cities' increasing aspirations to become 'green' and 'smart' and the creation of future visions based on these ideas contributed toward creating favorable cultural environment enabling opportunity windows in which new accounts could emerge: Sustainability became increasingly seen as a performance goal that cities should actively advance.

Through the Strategic Management of SDG Goals in Cities Network, the cities part of the network engaged in collective sensemaking on how SDGs should be integrated in the Finnish cultural context. Many of the interviewees noted that sustainability thinking in the Finnish LG sector was dominated by environmental sustainability, and social and cultural values received less attention, which was reflected in the choice of strategic goals, performance measurement, and reporting. As one of the interviewees noted:

> I believe that a very big part of the decision-makers, they understand the words 'sustainability' and 'sustainable development goals' and 'climate work' as the same issue, so they see it in a quite narrow way. (Strategic manager).

In addition, many LG stakeholders were pushing for sustainability. For example, the data showed that LG-owned companies faced sustainability issues when applying for financing: "The banks are very interested in how all the sustainability issues are handled …. It has an effect on the margin of the loans they [the companies] are offered" (Ownership steering expert). Although this is arguably connected to technical IW and emphasizes the monetary value of sustainability, it has also a close link to the social value and perceived importance of sustainability.

Organizational level. Multiple interviewees described a sensation of change in their LGs regarding sustainability, which reflected changes in values, belief systems, identities, and normative associations:

> I think there is going on a shift or change in how we interpret sustainability. And this is because of the UN SDGs. We have made a commitment to promoting the SDGs. … So, I think the interpretation of sustainability has… or is undergoing change—that is, sustainability is much wider. It entails ecological, social and economic sustainability. (Strategic manager)

However, although interviewees celebrated the change in the overall attitudes toward sustainability and commitments made to the implementation of Agenda 2030, they still noted that heterogeneous understandings and political contestation of sustainability prevailed, leading to decision-makers sometimes questioning the SDG accounts by asking "whose opinions are these?" (Development expert). Strategic integration and political prioritization without change in operating culture were considered as one of the challenges, as one of the interviewees describes:

> Looking at our city strategy, we have right, let's say, words there. But I think the definition of those words is not same for everybody in that sense that, for example, one of the values we have in our strategy is being responsible. However, I wouldn´t say that it is always there when decision-making is concerned. So, I would say that there is not a clear understanding of how we as a city [are responsible], what does it mean to be responsible. (Strategic manager)

Another interviewee noted that there was still a lack of 'best practice' for the management of SDGs at the organizational level, but considered new practices to be developing:

> If we talk about the whole perspective or Agenda 2030, we have no best practices yet. We are now only in the process to even talk about it and get the mindset how we think about it and what kind of words we use, so we are thinking about the same thing and these kind of best practices are now underway. (Sustainability coordinator)

Many expert representatives of administrations described their intent to make sustainability visible through the SDGs and/or the SDGs visible in LG activities, and SDGs as 'common vocabulary' for sustainability at the organizational level. The aim was to affect the normative associations of various actors—that is, to influence the aspects that steer decision-making and activities by helping decision-makers to consider a broader set of issues:

> There will be a change … through this project in how to make the SDGs more visible in our strategies and programmes and how to educate people …, so that the SDGs will be integrated throughout the organisation in a cross-cutting way, so that when we plan our projects or programmes, we will think about which SDGs it helps to achieve or what are the impacts on the SDGs, plus or minus, if you know what I mean, because some actions do not advance our aims. (SDG coordinator)

In some discussions, the interviewees stated that municipal administrations viewed SDG reporting via VLRs as a marketing activity connected to the municipality's desire to appear ambitious and attractive to companies and citizens alike. Although this incentive may seem superficial, it can also positively affect an LG's identity through supporting sustainability integration.

Suborganizational level. Interviewees highlighted the importance of adapting the SDG framework to the cultural context in which individual professionals operated and considered that it was in particular branch managers' responsibility to help individual employees see the connections between their work, organizational performance goals on sustainability, and broader policies and programs at local and national levels:

> If we talk about the global SDGs, it is very… not so motivating and the questions are irrelevant in the point of view what we are doing in this department, so we have to localize them, and then make it more detailed, what it means to us and then we have to have these own metrics that are measuring it. (Sustainability coordinator)

Active individuals were highlighted by multiple interviewees. Although the SDG coordinators, sustainability experts, and other individuals whose tasks are directly related to the SDGs and/or sustainability issues were considered instrumental in highlighting sustainability perspectives and accounting, some interviewees emphasized the importance of self-motivated individuals who have learned about sustainability issues, used this knowledge in their organizational roles and tasks (e.g., in school teaching) and even delivered presentations about sustainability to other actors in the city. Such activities have helped to make city officials aware of sustainability. The role of grassroots activists was institutionalized through participation in SDG working groups and initiatives such as the Ecotuki network (translates as "Eco-support") which educated and supported individuals whose role was to translate organizational strategies and

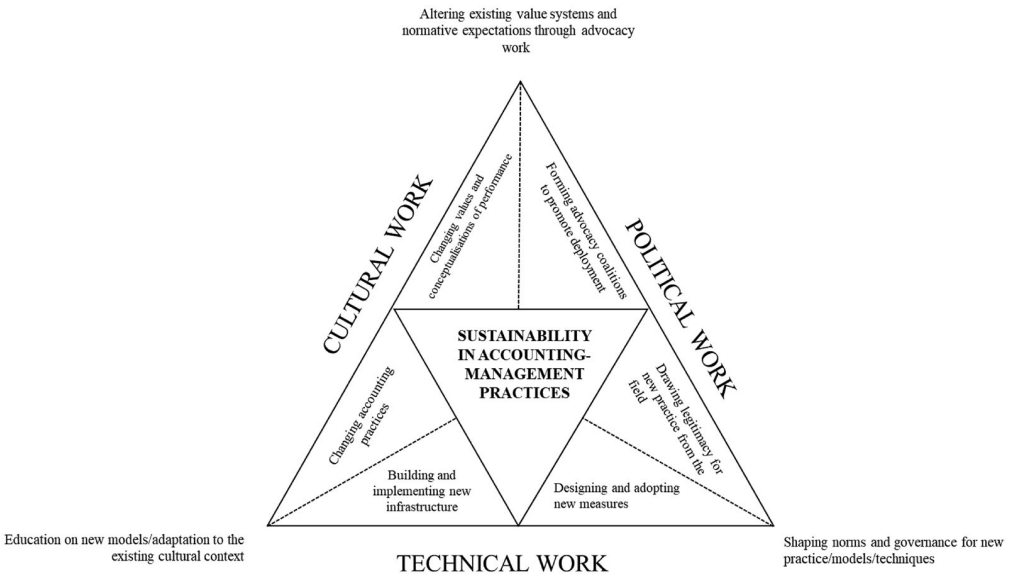

FIGURE 1 The politico–techno–cultural nexus of IW in new practice deployment.

environmental policy into grassroots actions and practices at their workplace, and foster sustainability as part of their units work culture.

5 | DISCUSSION

To date, the sustainability agenda has largely been driven by individual efforts, whereas a common frame for this highly ambiguous agenda seems to be missing in the broader LG field. The IW perspective can provide valuable insights into how sustainability accounts can enhance the formation of a common agenda and change practices in public sector organizations. This study has generated a better understanding of how new accounting practices become institutionalized in public sector organizations by focusing on the IW perspective and its three types proposed by Perkmann and Spicer (2008). The results were combined into a politico–techno–cultural nexus of new practice deployment (Figure 1).

Each three sides of the triangle represent the three types of IW (cultural, political, and technical), which meet at the ends of the triangle (see Figure 1). Captions at each end display the interconnections of different types of IW as observed in practice. In our data, technical IW was focused on cocreation of new tools for support the creation, discovery, and deployment of SDG-related performance goals and measures. These tools helped LGs to scan their existing accounting systems and connect their strategic KPIs with SDGs, identify gaps in the current system, and search for new metrics when needed. Politico-technical IW was needed in the integration of these new accounts as part of standard management processes and in the generation of new management infrastructure to support their organization-wide deployment. Politico-technical IW aided in making sustainability in LGs more concrete and governable, as proposed by Russell and Thompson (2008). Through political IW, the key actors sought to mainstream sustainability as part of LGs' strategic agendas by forming advocacy coalitions within LGs and harvesting legitimacy for the sustainability agenda through field-level networks. These efforts were strongly connected with cultural IW, as both cultural and political IW were needed to alter the existing value systems both at the field and organizational levels. Our data displayed that despite political momentum and technological readiness, without transformations in organizations' values, belief systems, identities, and normative associations (Lawrence & Suddaby, 2006), the effects of new governance infrastructure and accounting frameworks remained limited. However, instead of adopting

the SDG framework as a point of departure, SDGs were fitted to local political priorities and existing management systems of LGs. Under severe resource constraints, managers in LGs were reluctant to create new accounts and more interested in gathering current accounting practices under the SDG framework (cf. Thomson et al., 2014). The results here are similar to observations made by Brorström (2021), who noted that when sustainability accounts are adopted into the existing organizational systems, they may be gradually weakened. Therefore, although the nexus approach emphasized creative types of IW, new practice deployment unfolded and was shaped by the existing technical, cultural, and political environment. The nexus draws attention to the simultaneous deployment of technical, political, and cultural work and their interconnections (cf. Arroyo, 2012; Perkmann & Spicer, 2008) and can be used in studying new accounting practice deployment, allowing researchers to focus on critical elements in the institutionalization process.

In addition to its research implications, the nexus approach can also benefit the practitioners in new practice deployment. Although in our study LGs proactively and autonomously advanced sustainable development and voluntarily reported on sustainability, voluntary guidelines, and mandatory sustainability reporting requirements have been set in many countries at the different levels and domains of public administration. Nevertheless, as the Spanish case suggests (see Larrinaga et al., 2018), increasing public organizations' reporting requirements does not mean they become more sustainable. Results of our study suggest that in addition to setting reporting guidelines and requirements, policymakers need to pay attention to enabling conditions for politico–techno–cultural IW and foster social networks that support new practice deployment. Public sector strategic managers, project managers, sustainability coordinators, and financial managers can benefit from the nexus approach in their attempts to foster sustainable development in their organizations (cf. Sinervo & Laihonen, 2024). To successfully adopt new accounting practices, attention needs to be paid not only to the selection of strategic metrics but also to organizational culture, education, communication, advocacy work, and capacity building.

6 | CONCLUSIONS

With this study, we focus on the less studied topic of sustainability accounting in the public sector context. As sustainability accounting is typically addressed from the reporting perspective, our study on the accounting–management nexus strengthens the prior knowledge of how sustainability is integrated into the organizational practices of LGs. Specifically, we contribute to the management and accounting literature in three important ways. First, this study improves the understanding of the deployment of new accounting practices within public sector organizations by providing empirical evidence on the previously understudied phenomenon. Our study highlights the importance of the connections between accounting and management and concludes that to fully institutionalize sustainability in LGs, SDGs need to be integrated into existing accounting practices, and the accounting–management nexus should be strengthened. Otherwise, there is a risk that LGs fail to foster sustainability to a larger scale as SDG accounts remain separate and disconnected from real-life management in LGs.

Second, our results also display how technical infrastructure together with political and cultural context shape new practice deployment. Different actors hold different perceptions of sustainability performance and play different roles in the institutionalization process. The organizational context of LGs is complex and siloed, which complicates the formation of the shared perceptions of sustainability as a performance goal of local governance. Therefore, technical, cultural, and political IW are all needed for adopting new accounts to the organizational context. These IW types play a crucial role in actively shaping the context by creating political momentum for new accounts, reshaping values, and performance conception. Additionally, they contribute to creating new practices and information infrastructure that support the integration of sustainability as a part of the accounting–management in LGs.

Finally, the present study highlights mutually reinforcing roles and connections between technical, political, and cultural types of IW in the institutionalization of new accounting practices as part of the management systems of LGs. Hence, as an answer to our research questions, we demonstrate a cohesive politico–techno–cultural nexus of IW in new practice deployment. Considered on their own, the three types of IW are insufficient to drive change.

Although a lot is already done by different actors at different levels, the institutionalization of sustainability in the accounting–management nexus requires performance dialogue, cooperation, and collaboration between different actors and organizational units. As sustainability encompasses multiple and often conflicting perspectives and values, we emphasize the importance of composing a shared meaning of sustainability as well as collective efforts enabling sustainability change in LGs. Essentially, if the relevant organizational levels and actors do not cooperate in the IW, change is unlikely to happen.

It must be acknowledged that this study shares the limitations common to qualitative interview research, including the exclusive focus on participants from Finland and the need for a larger pool of interviewees. Still, it is worth noting that our interviews covered a diverse range of actors, roles, and levels within public administrations, thus offering a versatile view of the deployment of management and accounting practices.

Although subsequent studies can use the nexus approach in exploring the institutionalization of new accounting practices, future research could further explore the tensions and unveil power dynamics and multiple values that impact the way new practices are merged within existing accounting–management systems. Furthermore, future studies can adopt an international perspective regarding the deployment of accounting practices related to the SDGs in LGs, thereby furnishing comparative data that would significantly enrich our comprehension of this phenomenon. Moreover, a more critical stance would be welcomed in studying the complex nature of the SDGs in public management.

DATA AVAILABILITY STATEMENT

Research data are not shared.

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PUBLICATION III

Different sustainability endgames: Institutional logics in the performance management of local governments

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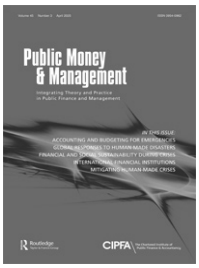

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Different sustainability endgames: Institutional logics in the performance management of local governments

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IMPACT

Local governments operate in institutionally complex environments where overlapping values, rules and priorities shape their actions. This article explores how such complexity directly impacts the production of sustainability performance information. By examining various institutional logics within local governments, the study highlights how these differing perspectives lead to diverse approaches in managing sustainability performance. The article introduces three potential 'endgames'—sustainability as a brand, strategy or raison d'être—each representing a distinct path for integrating sustainable development goals (SDGs) into local governance. These endgames provide local government managers, specialists, and sustainability co-ordinators, with a framework to reflect on the priorities and rationales behind current sustainability performance management practices. This article is essential reading for those seeking to develop meaningful performance measurement for the SDGs.

ABSTRACT

Many local governments have embraced sustainability as an overarching performance goal, and they increasingly generate performance information to track, govern and communicate their progress in sustainable development. Local governments face multiple overlapping and sometimes conflicting institutional logics, but very little research has examined how these logics influence performance management. This article addresses this gap by exploring how multiple institutional logics shape the construction of sustainability as a performance object in local governments. Interviews with 46 professionals from Finland's largest local governments reveal the impact of different institutional logics on sustainability as a performance object. Based on the analysis of the interrelationships of institutional logics, the authors describe three 'endgames' of the Sustainable Development Goals (SDGs) as a part of the performance management of local governments: sustainability as a brand, sustainability as a strategy and sustainability as raison d'être.

KEYWORDS

Institutional logics; local government; management; performance; sustainable development

Introduction

Sustainable development, generally referring to development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs, has emerged as a new overarching performance goal of local governance. As a result, local governments have begun to produce performance information to understand, govern and communicate their progress in sustainable development and steer local development towards Agenda 2030 and the UN's 17 Sustainable Development Goals (SDGs) (Cohen et al., 2023; Guarini et al., 2021; Luhtala et al., 2024). Sustainability as a conceptual system shapes actors' understandings of performance but, at the same time, it is ambiguous and open to interpretation in local contexts. Local governments can relatively independently choose how sustainability information is to be produced and reported (Goswami & Lodhia, 2014), how SDGs are translated into accounting terms (Cohen et al., 2023), what aspects of SDGs are considered locally relevant (see Luhtala et al., 2024) and, finally, how they are connected to strategic management (see Guarini et al., 2021; Sinervo et al., 2024; Sinervo & Laihonen, 2024).

In the local government context, which is often characterized as institutionally complex (see Eneqvist, 2023; Grossi & Trunova, 2021), performance management is typically influenced by multiple overlapping institutional logics. Institutional logics refer to patterns of values, beliefs, rules, assumptions and material practices that draw from divergent sources of legitimacy, authority, identity, norms, attention and strategies (Thornton et al., 2012). Currently, there is little research on how multiple institutional logics shape performance management (see Damayanthi & Gooneratne, 2017). To address this research gap, we focus on the following research question:

> *How do multiple institutional logics shape the construction of sustainability as a performance object in local government?*

By capturing institutional logics in the performance management practices of local governments, we wanted to unveil institutional complexity in the form of diverse perceptions, motivations and values that inform the production of sustainability performance information. We also examined how combinations of diverse institutional logics shape the operationalization of sustainable development in information production and integration processes in the local government sector. Our study was conducted in the context of Finnish local government. To answer our research question, we interviewed 46 key individuals representing 18 different

local governments in Finland involved in sustainability performance information production and integration in their organizations. In addition, we took part in two meetings of the network of Strategic Management of SDGs in Cities facilitated by the Association of Finnish Municipalities and examined sustainability performance information produced by the six largest cities in Finland. By following an abductive approach and combining institutional logics and logic patterns described in earlier literature with the patterns emerging from the data (see Reay & Jones, 2016), we identified five institutional logics that shaped sustainability as a performance object and worked as grammars for performance information production. Building on these logics, we constructed three different projections of SDGs as part of the performance management of local governments:

- Sustainability as a brand.
- Sustainability as a strategy.
- Sustainability as raison d'être.

These projections are heuristic tools through which researchers and practitioners can reflect on the ways in which sustainability as a performance object is constructed.

The remainder of the article is structured as follows. In the next section, we review the literature describing the emergence of sustainable development as an overarching performance goal of local governments and review the current research on sustainability performance management and accounting in the local government context. In the third section of the paper, we outline our theoretical framework. In the fourth section, we present our research approach and methods and we describe the Finnish local government as the context of our study. In the fifth section, we present the results of our study, followed by a discussion and conclusion.

Background: Sustainability as a novel overarching performance goal of local governments

As a global action programme for sustainability, Agenda 2030 emphasizes the significant role of local actions in addressing global sustainability challenges. Paragraph 89 of Agenda 2030 urges all major groups, including local authorities, to report on their efforts towards implementing Agenda 2030, inspiring local governments across the world to increasingly produce information on their sustainability performance and report their progress on sustainable development (Cohen et al., 2023; Luhtala et al., 2024; Sinervo et al., 2024). Sustainability performance information commonly refers to information on the economic, social and environmental impacts of organizations and their activities and progress against overall sustainable development policy targets (see Bebbington & Unerman, 2020; Lodhia, 2024). However, there is no simple answer to the question of what 'sustainability performance' means in any given context, since the term covers a wide range of different types of performance information, such as performance in connection with natural resource conservation and emission levels, other environmental activities and initiatives, various aspects of employment, occupational health and safety, community relations, stakeholder involvement and the economic impacts of the organization other than those financial measures used in the financial accounts (Adams et al., 2014). Consequently, the management of sustainability performance also encompasses various techniques, tools and processes through which information on the economic, social and environmental aspects of an organization's activities can be made measurable, controllable and communicable to others.

Previous research has demonstrated how understandings of performance are socially constructed and shaped by the prevailing institutional context. Brorström et al. (2018), strengthening the link between strategy and accounting, has shown how numbers can, in the context of local governance, highlight the strategic importance of some issues and weaken others. The study uncovered the close connection between the numbers, their meaning and the actors using them, since common agreement on the interpretation of numbers can be crucial for prioritizing specific areas, such as sustainability visions for the city. Luhtala et al. (2024) have explored the integration of the abstract ideas of sustainability into local government organizations, unveiling the complex field- and organizational-level dynamics in which new accounting practices for SDGs are being shaped. Like Brorström (2018), the authors noted that the localization of sustainability can result in the utilization of existing managerial indicators and emphasis on local political priorities. Another perspective on the adoption of SDGs into cities' strategic planning and management processes has been suggested by Guarini et al. (2021), who provide a multi-stage framework that covers the cycle of planning and control. The authors, however, highlighted that 'there is probably no one-size-fits-all approach for cities around the world to adopt' (Guarini et al., 2021, p. 498), and the interpretation of sustainability depends on the political leaders; this may cause potential tensions with local government managers in navigating the balance between SDGs and existing strategies and organizational performance.

In other words, prior research has demonstrated that diverse actors' contrasting involvements influence the adoption of sustainability ideas; however, the questions of what aspects of performance are to be addressed, how information should be produced, and to whom the sustainability performance information should primarily be targeted, are all critical and prevalent when public sector organizations are trying to decide what information should be produced. This research takes a step forward in this direction by digging deeper into how the institutional context of local governments shapes performance management practices and sustainability as a local government performance object.

Theoretical framework: institutional logic approach

We used the concept of institutional logics to understand how institutional context shapes sustainability performance. Institutional logics are commonly defined as 'the socially constructed patterns of symbols and material practices, assumptions, values, beliefs and rules by which individuals and organizations produce and reproduce their material subsistence, organize time and space and provide meaning to their social reality' (Thornton & Ocasio, 1999, p. 804). Different institutional logics draw from different sources of authority and legitimacy and work as a basis for strategy, norms and attention (Thornton et al., 2012). They constitute discernible, identifiable and relatively robust patterns that

inform agency in different social contexts (Lounsbury et al., 2021). According to Thornton et al. (2012, p. 2): 'logics represent frames of reference that condition actors choice for sense making, the vocabulary they use to motivate action and their sense of self and identity'. The institutional logic perspective has been used to explore how institutions both constrain and enable agency in institutional reproduction and change processes, how actors respond to different logic prescriptions when multiple logics are drawn inside their sphere of agency, how logics are translated into local contexts and how they shape institutional fields by disturbing, reproducing and recreating existing institutions (Thornton et al., 2012; Smets et al., 2012).

In the original work by Friedland and Alford (1991) on institutional theory, the authors considered Western societies to be influenced by five institutional orders, each with different core logics: capitalist market, state, religion, family and democracy. Thornton et al. (2012) further explicated that society is structured around six main institutional orders, each representing different institutional logics—family, religion, market, state, profession and corporation—and later added community as the seventh order with a distinct core logic: see Table 1. Subsequent work on institutional logics has extensively used these ideal types as a point of departure in studying the interplay of multiple logics at field, organizational and individual levels and, through empirical enquiry, identified several context-specific logics, enriching the understanding of the multiplicity of institutional logics in shaping societal action (for example Lounsbury et al., 2021; Friedland, 2017).

The institutional logic approach has been operationalized in the performance management literature in diverse ways (see, for example, the review by Damayanthi & Gooneratne, 2017). Previous studies have demonstrated how local responses to institutional logics shape the institutionalization of new accounting practices, condition the use of accounting information as part of organizational life, and influence the use of accounts in management and decision-making processes (Ahrens & Ferry, 2022; Gisch et al., 2021; Guerreiro et al., 2012; Imtiaz Ferdous et al., 2019). Previous studies have also displayed how accounting practices have been central mechanisms through which new institutional logics have infiltrated the organization as part of public sector reforms (for example Grossi et al., 2020) and how new accounting and management controls can serve as mediums through which organizations negotiate between multiple and conflicting objectives of different logics (Järvinen, 2016).

Actors can respond to institutional complexity—i.e. multiple co-existing and incompatible institutional prescriptions (see Greenwood et al., 2011)—in myriad ways. Institutional logics can, in some instances, peacefully co-exist, whereas in other instances, they can lead to conflicts and tensions (Fossestøl et al., 2015). Actors can omit or replace problematic logics (for example Campanale et al., 2021); keep logics separate through compartmentalization, layering, or structural differentiation; incorporate elements of one logic into another through assimilation (for example Grossi et al., 2020); selectively draw from various sources of legitimacy, authority, identity and norms based on the situation, known as selective coupling (for example Pache & Santos, 2013); or adopt hybrid structures and practices that synergistically accommodate multiple logics, commonly referred to as blending or integration (for example Ahrens & Ferry, 2022). Damayanthi and Gooneratne (2017) noted that although the phenomenon has not been extensively researched, various clusters within an organization can react differently to the same field-level influences. This may be particularly relevant in public sector organizations, where siloed structures and practices are typical.

According to Friedland and Arjaliès (2021, p. 47): 'institutional logics do not seek an account of individual practices, but the grammars of practice available to practitioners'. We were interested in the 'grammars' available to actors when they try to design and deploy sustainability as a performance object of local governments and justifications they use for the introduction of this new performance object. By *performance object*, we refer to performance as a socially constructed and institutional object with value purpose(s) and specific targets through and toward which practices are organized (see Friedland & Arjaliès, 2021). We were interested in how different institutional logics (see Table 1) and their related grammars steer the construction of sustainability as a performance object of local government and what kind of grammars of practice are applied in performance information production.

Research methodology

As noted by Cohen et al. (2023), the adoption of SDG reporting in European cities has been fragmented, but a few clusters have emerged—particularly in the Nordic countries. Finland, led by the city of Helsinki, has been among the early adopters. Finland provides an interesting context for the study, as the local governments have a high degree of autonomy. Municipalities and cities in Finland are independent from the state hierarchy and governed by elected council–manager governments (Vakkala et al., 2021). They account for over 35% of the total government spending and over 15% of the national GDP (OECD/UCLG, 2016), and they provide roughly two-thirds of the public services in Finland. Along with other

Table 1. Ideal types of institutional logics, adapted from Thornton et al. (2012).

Institutional logic >	Market logic	Managerial logic	Bureaucratic logic	Community logic
Sources of legitimacy	Economic value generation	Organizational effectiveness	Democratic participation	Trust and reciprocity
Sources of authority	Shareholder activism	Management hierarchy	Bureaucratic domination	Community values and ideology
Basis of norms	Self-interest	Employment	Citizenship	Community membership
Basis of strategy	Develop competitive position and local economy	Increase efficiency, effectiveness, and ensure smart resource allocation	Increase common good and allocate public resources fairly	Develop community and increase wellbeing of its members
Basis of attention	Status in market	Status in hierarchy	Status of interest group	Personal investment in a group

Nordic countries, Finland has been a frontrunner in the promotion and implementation of various global sustainability policy programmes and has gained international recognition in global rankings (Ylönen & Salmivaara, 2021; Kettunen et al., 2020). Furthermore, the information infrastructure in Finland is highly developed. The biggest municipalities in Finland have publicly committed to Agenda 2030, and the Finnish Local Government Act (410/2015) emphasizes that municipalities must advance the financial sustainability of municipal activities, advance well-being and arrange services for their residents in financially, socially and environmentally sustainable ways.

To answer our research question, we employed a qualitative mixed-method research approach. Data was collected through in-depth semi-structured interviews with representatives of Finland's 25 largest cities, out of a total of 309. We anticipated that the large cities in Finland have engaged more extensively with both the production and integration of sustainability performance information into their overall management. We received a response from interviewees representing 18 cities (see the full list of cities presented in Table 2). The selected cities had populations ranging from 45,000 to over 650,000 residents. Altogether, we conducted 44 interviews and interviewed 46 key individuals responsible for the production and integration of sustainability performance information in their respective local government organizations. The pool of interviewees included 13 financial managers, 12 branch managers or representatives, 11 sustainability specialists, six strategic managers, two representatives of ownership and steering and two representatives of municipally owned corporations. Interviews were conducted through Microsoft Teams between October 2022 and March 2023, in both individual and group interviews (two to three interviewees). The interviews focused on questions such as how sustainability performance information is produced, by whom, to whom and for what purposes; how it relates to and integrated into strategic planning, budgeting, financial controls and overall management practices in the local governments; and what kind of new managerial practices have formed around sustainability accounts. The interview records were transcribed verbatim for analysis.

Table 2. List of cities represented in the interview data in order of population size.

	City	Population	Status	Region
1	Helsinki	674 500	Capital city	Uusimaa
2	Espoo	314 024	Helsinki metropolitan area	Uusimaa
3	Tampere	255 050	Regional capital	Pirkanmaa
4	Vantaa	247 443	Helsinki metropolitan area	Uusimaa
5	Oulu	214 633	Regional capital	North Ostrobothnia
6	Turku	201 863	Regional capital	Southwest Finland
7	Jyväskylä	147 746	Regional capital	Central Finland
8	Pori	83 106	Regional capital	Satakunta
9	Kouvola	78 880	Regional capital (1/2)	Kymenlaakso
10	Joensuu	78 062	Regional capital	North Karelia
11	Lappeenranta	72 988	Regional capital	South Karelia
12	Vaasa	68 956	Regional capital	Ostrobothnia
13	Hämeenlinna	68 319	Regional capital	Kanta-Häme
14	Seinäjoki	66 160	Regional capital	South Ostrobothnia
15	Porvoo	51 289	Local centre	Uusimaa
16	Kotka	50 500	Regional capital (2/2)	Kymenlaakso
17	Hyvinkää	46 901	Helsinki metropolitan area	Uusimaa
18	Lohja	45 645	Helsinki sub-region	Uusimaa

Created by authors based on the following sources: Statistics Finland, population structure (31 December 2023).

In addition to the interview data, we conducted participatory observations of two meetings in the network of Strategic Management of SDGs in Cities, facilitated by the Association of Finnish Municipalities. The network partners included six of Finland's largest cities—Helsinki, Espoo, Tampere, Vantaa, Oulu and Turku—as well as the Helsinki-Uusimaa Regional Council, the Prime Minister's Office, the Secretariat and National Commission on Sustainable Development, the Ministry of Economic Affairs and Employment and the Ministry of the Environment. We also collected key documents of the studied local governments that contained information on sustainability performance, including strategy documents, annual reviews, VLRs, financial statements and budgets, for data triangulation.

The analysis, focused on qualitatively capturing institutional logics and logic constellations, consisted of breaking the data into meaning units (sentences or few sentences) and decontextualizing it by comparing the meaning units with the elements of ideal types of logics described in Table 1 following the pattern matching approach (Reay & Jones, 2016) as our point of departure. However, we recognized that these ideal types might manifest in different ways in our context and that additional context-specific patterns might be relevant to our study. To identify contextual variation of logics and context-specific logics that might arise from the data, we adopted a more inductive bottom-up approach (See Reay & Jones, 2016) and allowed patterns to emerge also from the data. In our analysis, we focused particularly on different normative and ideational conceptions of sustainability performance—what, to whom, why, by whom and how sustainability performance information should be produced, communicated and used.

Meaning units which could be coded to two logics, or were otherwise unclear, were discussed by the authors to reach consensus. Furthermore, throughout the coding process, we discussed both the ideal types and additional elements and patterns we identified from the data to collectively interpret the data and reach a consensus on the logics at play (see Denzin & Lincoln, 2011). In our analysis of logic constellations and interactions, we classified logics based on their interrelations and prioritization in terms of their relative strength in guiding the construction of sustainability as a performance object and associated practices. The strength of the logics was determined based on their frequency of appearance and whether one logic appeared to dominate over another in guiding the comprehension of the performance object, concrete practices, or the way in which sustainability as a new performance object was integrated and mobilized as part of the decision-making of local governments.

Results

Institutional logics in sustainability performance management in local governments

We identified five institutional logics present in the field, each constructing distinct views of sustainability as a performance

Table 3. Institutional logics identified from the data.

Institutional logic	Market logic	Managerial logic	Bureaucractic logic	Community logic	Socio-ecological logic
What is the purpose of performance information?	Increase competitive advantage and aid in economic development and growth	Increase efficiency, value creation, smart resource allocation and competitiveness	Demonstrate transparency on the use of taxpayers' money and fulfilment of the public service mission and government mandates	Ensure sustainable livelihoods and well-being of the local community	Ensure progress and impacts on global social and ecological development goals
On what is the selection of measures based?	Benchmarking against competition	Strategic focus and development areas	Government mandates and regulations; EU legislation and regulations	Community values/local issues topical and important for citizens	Global sustainable development policies
Who steers the information production?	Managers and PR/ marketing professionals	Managers, governance and advisory boards	Politicians and public servants	Community members together with sustainability working groups	Sustainability co-ordinators and environmental specialist
What is the preferred style of reporting?	Sustainability information communicated in visual and marketable format to attract investments and newcomers and demonstrate position as a frontrunner	Integration of sustainability information as part of strategic KPIs and existing management control systems	Integration of sustainability information into mandatory public accounts	Interactive, easy-to-understand and accessible information	Production of responsibility/ sustainability reports following international reporting standards and frameworks—i.e. voluntary local reviews
Information target groups	Investors	Upper management, internal development teams	Political decision-makers and the general public	Community members	Stakeholders
Illustrative example from the data	'The VLR report, of course that's kind of, that's our branding material, and the target group for these are more external. The reports are to show how … good we are compared to other cities … They are also documents where we market ourselves for the global arena, where we explain [our status] to potential companies for investments'.	'And overall, of course, everything in the management starts from the city strategy. So, the city strategy gives the main goals, also the sustainability goals. And there is, like, the climate goal. And many of our social and well-being goals mentioned. And then these sectoral programmes. Then, they give them more concrete actions and measures for how we are implementing the city strategy'.	The city must, by municipal law, report where we are at. And those topics are pretty much sustainability issues, but we don't follow them within the SDG but it's the same thing, just put into different words. Every city in Finland must do it … For instance, like where our population is heading, how are schools doing, how healthy are the citizens where we can do better—all of that is already reported every year. We can just add SDG icons to it and then it becomes an SDG report'.	'We look at what citizens want, what the organization needs, and then we try to find the linkage to the SDGs, so it becomes like—it's probably maybe a longer process, but also it's in a sense of as a municipality, first of all, we need to think what local residents need'.	'SDGs would be integrated throughout the organization in a cross-cutting way so that when we plan our projects or programmes, we would think about which SDGs it helps to fulfil or what are the impacts on SDGs, plus or minus'.

object of local governments: market logic, managerial logic, bureaucratic logic, community logic and socio-ecological logic–see Table 3.

Market logic was evident in statements that focused on competitiveness as a driver for sustainability performance information production, such as 'we want to be part of leading cities in Europe in sustainable development'. As described by the interviewee below, the purposes of the information production were to stand out from other cities and attract interest and investments by communicating local progress on sustainable development, and to ensure that the local governments kept up with the competition in areas relevant for, as one interviewee said, 'the customer'—i.e. citizens as users of public services:

> *We have divided our strategy into three strategic, thematic programmes. I lead the well-being and competence programme and this morning we had a meeting about it, a meeting of a couple of hours, where we went over the well-being plan and the metrics for the city in that respect and what we're going to do concretely, also to monitor and consider that if there is a situation where the city is in a worse position than the other cities. Then we will start to monitor that area more closely and require that different parties then find measures and draw up their plans in order to improve these worse numbers*. (Branch manager.)

Market logic was also evident in statements that emphasized the role of sustainability performance information as part of the marketing and branding of the city. Local governments considered the idea that Finnish cities could stand out in the global arena through their sustainability performance, as the interviewee described below. Marketability, comparability on a global scale and commensurability of metrics for ranking purposes were emphasized. VLRs were often harnessed for showcasing sustainability work:

> *But we really, we thought that OK, yes, we want to make the VLR because that's a good way to show that you are part of this international community of responsible leaders, like our mayor wants to say it, so making the VLR submitting it to the UN*. (Sustainability co-ordinator.)

Managerial logic was manifested in the idea that sustainability should be integrated into strategy documents and strategic objectives so that sustainable development could be efficiently managed and resources strategically allocated to sustainability work. Statements following managerial logic

advocated the use of strategic key performance indicators (KPIs) as a resource-efficient way to measure and monitor progress on sustainable development, which, in many cases, meant basing the sustainable development performance on data that was already available:

> *And there could be some* [indicators] *that perhaps could* be [relevant for measuring performance on sustainable development]*, but we didn't have the information. So, it has probably been easy in the way that you look at what information you can have and what information you have access to.* (Strategic manager.)

> *We have these focus areas in the strategy. So, we are showing that OK, here are the* [strategic] *goals for the council term, like which SDGs are these related to. We are, like, making this … creating this, like, uh, visibility, and then maybe this interest in SDGs, but mainly by visualizing SDGs and creating these linkages.* (Sustainability co-ordinator.)

Unlike in sustainability as a performance object perceived through market logic, where information was produced for external audiences, in managerial logic, the motivations for sustainability performance information production were internal and the performance object projected 'for internal work, for our city leadership and political leadership' (sustainability co-ordinator) to manage the targets set in the strategy.

Bureaucratic logic was emphasized in statements where local government mandates and public service missions were seen as a point of departure for sustainability performance information production. Sustainability as a performance object was seen to be transferred to local government organizations from EU directives and government acts, which local governments were to follow, as the following extracts from our interview with sustainability co-ordinators show:

> *Like the EU directives and reporting directives and the taxonomy and this kind of thing, how we should consider these as part of our process. And this is something we will continue to work on, and there are companies in our city who have asked for support on this topic* [and we think] *that this should be developed together.*

> *But because of the governmental acts and the EU, we also have different programmes and plans. For instance, how we're going to make decisions regarding climate issues or if we're part of networks where we have to report on decisions and on the platforms that we are doing—for instance, Circle Cities Declaration—all of these different programmes … they work as our guidelines and when we write the plans; we just act upon it.*

Production and reporting of sustainability performance information was focused on hierarchical bureaucratic accountability and transparency of the use of taxpayers' money, as legitimacy and justification for performance information stemmed from democratic decision-making processes in political forums. Forums close to the local government were seen, respectively, as important target audiences for sustainability performance information, which could then be used in democratic decision-making in city councils and committees:

> *When we do reports in our departments, or in the city in general, there are two or three main targets. Firstly, people in general, in the city, in Finland, internationally, that are interested in these kind of things—and also to other stakeholders, like other cities; and secondly, our politicians and decision-makers, who have to be informed of all kinds of work we do, that do not go into the council or the committees … It is also a way to make these aspects more relevant to them and therefore of interest.* (Branch sustainability expert.)

> *These* [sustainability] *issues are discussed together with our departments during framework preparation, and then the city's management team and the city government take up these matters in their own decisions, so they take a stand on them based on our preparations.* (Branch manager.)

Community logic emphasized stakeholder participation and the role of community members in information production processes (see Lodhia, 2024). As one of the interviewees described, 'Another point [that] cannot be emphasized enough … is the point that the city as a unit or organization doesn't do any innovation in terms of sustainability. It does so as a community'. Statements where community logic appeared as the guiding rationale focused on information produced in close collaboration with the community, for the community. Within the normative frame of community logic, representations of the performance objects should be easy to understand, and information should be widely distributed, interactive and engaging:

> *We also produce a website, or we update a website about* [our] *sustainability work that is focused on the VLR, so it also has a really big and important aspect of informing the citizens. We really tried to focus on getting the citizens interested in this, and that's why we made the web page. On the web page, we have all the content and indicators on the electronic platform … We also do the communication on social media and so on. And we have made a lot of these kinds of stories, like videos or articles and such, on what is happening* [in the city] *and sharing them on social media in this sustainable city concept. That is how we also try to get the citizens interested and engaged in this. And I think it's very important that the report is not only like some PDF, forgotten in a couple of weeks. That it's a constantly active web page.* (Sustainability co-ordinator.)

Socio-ecological logic was identified in the data as a distinct logic from the other four. The bases of norms in socio-ecological logics stemmed from international sustainable development policies, global agreements and sustainability discourse informed by sustainability science. Authority was strongly associated with stakeholders and attention was generally directed through stakeholder activism. Socio-ecological logic was more concerned with global climate and biodiversity targets than with locally set strategic objectives. The guiding rationale was that local governments should understand and manage their ecological, social and environmental impacts in all decisions across organizations:

> *We have this project where one of the goals is to decide the metrics that we will use to demonstrate how we are doing toward the goals. But also, the goal of the project is to recognize fields where we don't have good metrics at all. The goal is to develop these kinds of metrics that truly tell how the development is going.* (Branch sustainability expert.)

Discussion

Based on our analysis of institutional logics, we uncovered three different 'endgames' for sustainability in local governments—sustainability as a brand, sustainability as a strategy and sustainability as raison d'être—formed through organizational responses to institutional complexity. Below, we use endgames as heuristic tools to structure the discussion on the assemblages of institutional logics informing the construction of sustainability as a performance object.

Sustainability as a brand stemmed from market and managerial logics strongly influencing the formulation of

sustainability as a local government performance object. Sustainability performance information production was dominated by the systems of rules, values and assumptions of market logic and focused on competitiveness and economic viability. SDGs were linked with strategic objectives by labelling preexisting performance targets with SDGs, and these SDG tags were then used to showcase sustainability work that the local governments were doing, often connected to key disclosures to display fulfilment of the public service mission. Institutional complexity in this projection could be alleviated by selective coupling of performance management practices, where socio-ecological or community logics as grammars of practice aligned with the predominant mix of grammars dictated by managerial and market logics focused on economic sustainability and growth, through which social and ecological welfare can be created. In situations where the logic prescriptions were incompatible with one another, practices steered by community and socio-ecological logics were compartmentalized from the main domain of performance management into different environmental and community projects, out of which the local governments could still draw sustainability performance information, often in narrative format, to use for building the city brand. Sustainability as a brand relates to SDGs as 'management fashion' rather than conscious process of organizational change as observed by Bracci and Tallaki (2013).

Sustainability as strategy originated from the strong influence of rules, values and assumptions of the managerial logic in combination with bureaucratic and community logics guiding performance management practices and focused on effectiveness on strategic targets set based on local political priorities and issues important for the community. This projection emphasized the integration of SDGs into the strategic management of local governments by using them to formulate strategic objectives and link SDGs with locally defined strategic focus areas. SDGs were seen to work as a situational mapping tool through which local governments could understand and track their progress on SDGs as strategic targets. Institutional complexity in this projection was mediated by the assimilation of socio-ecological and community logics into the predominant managerial logics and bureaucratic logics. Emphasizing local political priorities in creating sustainability key performance indicators (KPIs) aligned with local perceptions and needs could disturb the alignment with global goals, as observed by Luhtala et al. (2024), if the SDG framework is not used to strongly guide the formulation of the strategic vision as proposed by Guarini et al. (2021). Alternatively, the lens of SDGs can be used as a tool for adjusting local strategic priorities and tracking the progress on reaching desirable set of KPIs for international alignment with other cities (Grossi & Trunova, 2021). However, as Brorström et al. (2018) noted, translating strategies into organization-wide action can be highly challenging, and result in fragmented conceptions of sustainability as a performance object.

Sustainability as raison d'être stemmed from the stronger influence of socio-ecological logics and community logics in the formulation of sustainability as a performance object. In this endgame, sustainability is seen as the aim, guiding value and desired outcome of local government activities—the reason for their existence (see Fiorino, 2010; Leunenberger, 2006). Institutional complexity in this projection was mediated by transforming existing practices and creating new blended practices that draw from multiple logics to alleviate institutional complexity. Here, sustainability should 'become part of the DNA of the city', as described by one of the interviewees, so that 'the positive and negative impacts of all actions could be recognized' and sustainability understood as a driving value in the public service missions across the local governments. Unlike sustainability as a strategy, which allows the actors to prioritize SDGs based on their strategic focus, sustainability as raison d'être would, as informed by the socio-ecological logic, necessitate balanced representation of all SDGs and sustainability dimensions, where ecological boundaries and social needs are viewed to determine the scope of economic activities to keep them on a sustainable foundation. Furthermore, as proposed by Lodhia (2024), in this projection, information production is considered as a highly collaborative exercise in which various stakeholders take part.

Each of our three endgames represents a distinct projection of sustainability as a performance object produced in the interaction of market, managerial, bureaucratic, community and socio-ecological logics. The institutional complexity in each projection is mediated in different ways. The endgames are provisional and tentative in that they can present concrete approaches to sustainability performance management adopted by local governments, but they can also be perceived as transitional stages in sustainability reform processes. While they are derived from our empirical data, our purpose was not to categorize the local governments in Finland based on the endgame that they follow. Rather, as projections, they are meant to capture practitioners' different views on the relationships of the grammar(s) of practice informing sustainability performance management in local governments, each endgame laying out alternative visions of sustainability as a performance object of local government, with varying balance between global outreach and local influences and a different outlook on how economic, ecological and social dimensions of sustainability should be prioritized—hence the word 'endgame'.

Conclusion

Limitations

Our study was limited to the Finnish institutional context and the patterns we identified may not apply in other contexts. We investigated municipalities that are large in size and urban in nature in Finland; future studies could usefully cover more global perspectives and small and rural municipalities. It is also noteworthy to highlight that Finnish political parties are not easily presented on the left–right spectrum due to the multi-party system. Also, the absence of a government-opposition structure in local councils is a unique contextual feature. Furthermore, we recognize that, while we extensively discussed deconstruction and reconstruction of the institutional logic patterns in play, qualitatively capturing logics from empirical data is a challenging and intricate task that is always subject to individual and group judgement. Thus, future studies could explore whether similar patterns are observable in different contexts.

Lessons

Our results show that the production of sustainability performance information and the construction of sustainability as a performance object in local governments included in this study was shaped by five institutional logics —market logic, managerial logic, bureaucratic logic, community logic and socio-ecological logic—and their interactions. Combinations of these logics produce different endgames for sustainability transformations, constructing three alternative projections of sustainability as performance objectives of local government: *sustainability as a brand*, *sustainability as a strategy* and *sustainability as raison d'être*.

As our main contribution, we suggest endgames as novel heuristic constructions, each presenting different assemblages of institutional logics that can be used in illustrating the state of sustainability performance management both in theoretical discussions and in empirical research. For researchers, our examination of institutional logics provides valuable insights into institutional influences on sustainability performance information production and knowledge formation processes where this information is interpreted, shared and negotiated. Our results show that sustainability as a performance object can be heavily shaped by multiple institutional logics in the local government as a highly complex institutionally embedded context and that it is essential to acknowledge this in developing both sustainability performance metrics and performance management practices. For practitioners, the logics and endgames provide ways to understand and untangle complexities and tensions in sustainability performance information production and sustainability performance management.

Our study focused on interpreting institutional logics instead of analysing the impact of individual or organizational characteristics explaining different sustainability endgames. However, there are likely variables affecting the strength of different institutional logics in local government. A larger population and budget volume naturally ensures more financial, human and intellectual resources and more to account for—each of which creates more possibilities for market, managerial, bureaucratic and socio-ecological logic to grow in influence. As local councils act through formulating and approving the city strategy and, thus, influencing central values in city management, the distribution of political parties is likely to affect the strength of socio-ecological logic. Location may also play a role, as might status, such as capital city or regional capital, incentivizing a local government to be a forerunner in fostering rising perspectives, such as socio-ecological logic. The institutional environment of the EU and Finland are known for being favourable towards sustainability, which can enhance the prospects for strengthening socio-ecological logic in local government. Such issues could be further explored in other studies.

We hope to inspire further discussion on the social construction of sustainability as a performance object of public sector organizations and the state of sustainability performance management in local government and public organizations. As 2030 is rapidly approaching, local governments have very little time left for action. To achieve organizational and societal change, creating labels might be a good start, but it is not likely sufficient in the end. Sustainability performance information should be central in management and decision-making. Instead of only branding or strategizing around sustainability, local governments need to build their activities and operations—their very existence—based on sustainability.

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PUBLICATION IV

Multiple Logics in Performance Management of Collaborations for Sustainability: An Integrative Review

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RESEARCH ARTICLE

Multiple Logics in Performance Management of Collaborations for Sustainability: An Integrative Review

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ABSTRACT

Governing arrangements involving public, private, and third-sector actors are increasingly initiated to tackle sustainability challenges. Their value creation relies on the collective efforts of diverse stakeholders, but actors adhering to different institutional logics have divergent opinions on what collaborative value creation should encompass and how it should be measured and managed. This integrative literature review explores the performance measurement and management (PMM) of collaborative governance initiatives for sustainable development, focusing on how multiple institutional logics are integrated into PMM. By reviewing 104 research articles and book chapters from various disciplines and policy domains, the review highlights the omission of hybridity in PMM of collaborations and proposes multi-logic PMM approaches to enhance the integration of multiple logics into PMM research and practice. The review concludes with propositions for further theorization and development of performance governance that enhances understanding of institutional hybridity and diversity in collaborative governance.

1 | Introduction

Collaborative governance arrangements involving public, private, and third-sector actors are increasingly initiated to address systemic policy problems such as climate change, environmental pollution, and biodiversity loss that require active participation of non-state actors (Ansell and Gash 2008; Gray and Purdy 2018; Lemos and Agrawal 2006; Lange et al. 2013; Kim and Darnall 2016; Vangen et al. 2015; Vogel et al. 2022). Collaboration across societal sectors is expected to create value for society and the participants both individually and collectively, as actors can gain new insights into the issues at hand, clarify their roles in addressing them, and unite their efforts to achieve shared goals (Austin and Seitanidi 2012; Bryson et al. 2016; Emerson and Nabatchi 2015; Vangen and Huxham 2010). However, collaborations can fall short of value creation expectations, prompting increased scholarly attention on how to manage collaborative performance to effectively address societal challenges (Emerson and Nabatchi 2015; Lange et al. 2013; Silvia 2018).

Assessing the performance of collaborative governance arrangements is challenging for both practitioners and scholars due to the institutional hybridity arising from multiple institutional logics (see Bryson and Crosby 2006; Bryson et al. 2015; Crosby and Bryson 2010; Douglas and Ansell 2021; Lee and Hung 2022). Institutional logics refer to patterns of values, beliefs, rules, assumptions, and material practices that draw from divergent sources of legitimacy, authority, identity, norms, attention, and strategies (Thornton et al. 2012). The question of what performance is, how it is created, and how it should be evaluated and communicated becomes highly complex in cross-sectoral institutionally hybrid settings, where actors adhering to different institutional logics have divergent opinions on what collaborative value creation should encompass and how it should be measured and managed (Douglas and Ansell 2021; Emerson and Nabatchi 2015; Silvia 2018). Furthermore, research on the performance of collaborations is scattered across different academic communities of practice focused on specific policy domains. Current research literature lacks discussion on how

Summary

- Policymakers and public administration practitioners should be more cognizant of the impacts of multiple institutional logics on governing and managing collaborative value creation for sustainable development.
- Instead of relying on a single logic, actors should prioritize the policy problem they aim to address when measuring and managing performance in collaborative settings.
- To understand the breadth of collaborative value creation, actors need to reach consensus on performance goals and co-develop multi-logic and multi-level PMM practices.
- Greater emphasis should be placed on interactive processes that foster joint understanding of collaborative value creation and performance, aid in understanding performance from a multi-actor perspective, and incorporate multiple voices in addressing collaborative value creation.

institutionalized conceptions of performance influence assessments of collaborations, and there is a crucial knowledge gap in how to identify and integrate multiple institutional logics into performance measurement and management (PMM) practices of collaborations.

This integrative review addressed this knowledge gap by focusing on collaborative PMM practices, defined as "the collection of routines used by actors working on the same societal issue to explicate their goals, exchange and examine performance information, and explore actions" (Douglas and Ansell 2021, 1). More specifically, we focus on the following research questions:

RQ1. *To what extent and how are multiple institutional logics integrated into PMM of collaborative governance arrangements in divergent policy domains connected with sustainable development?*

RQ2. *How could future research and practice of collaborative PMM more fully address the hybridity of institutional logics in governing the performance of collaborations?*

By reviewing 104 research articles and book chapters discussing the performance of collaborative governance arrangements, we display how hybridity is often omitted from PMM. To develop and expand knowledge on how actors' varying dispositions towards performance can be integrated into collaborative PMM, we bring together multi-logic PMM approaches across different policy domains to contribute to more systematic and multifaceted theoretical elaborations as well as to propose promising further agendas for public administration research.

This review proceeds as follows: First, we define and discuss key features of collaboration in sustainable development, value creation, institutional hybridity, and the implications of multiple institutional logics for PMM practices. Next, we outline our review approach and methods, followed by a synthesis of the existing research literature. Finally, we discuss the results, present conclusions, and propose future research directions.

2 | Theoretical Background

2.1 | Collaborative Governance, Collaborative Value Creation, and Institutional Hybridity

A widely adopted definition of collaborative governance refers to "a governing arrangement where one or more public agencies directly engage non-state stakeholders in a collective decision-making process that is formal, consensus-oriented, and deliberative and that aims to make or implement public policy or manage public programs or assets" (Ansell and Gash 2008, 544). In this article, we use the term "collaborations" to refer to cross-sectoral arrangements that operate through "the linking or sharing of information, resources, activities, and capabilities by organizations in two or more sectors to jointly achieve an outcome that could not be achieved by organizations in one sector separately" (Bryson and Crosby 2006, 44). Collaborations can exercise various governance functions, for example, by working as forums for multi-actor dialogues, information sharing, and knowledge co-creation or as platforms through which policy implementation is overseen, new standards and rules are developed, or through which actors engage in joint innovation, capacity building, and collective learning (Ansell and Gash 2008; Hahn and Pinkse 2014). The concept of collaborative governance is thus used to contrast government-led hierarchical and bureaucratic forms of governance against institutionally hybrid forms of governance, where various state and non-state actors work together to achieve collective goals and create value together (Stout and Keast 2021; Koontz and Thomas 2006; Vangen et al. 2015).

Due to the spread of collaborative governance across different functional fields, collaboration is an elusive concept that is often used interchangeably with various ways different actors can work together, such as partnerships, alliances, and policy and management networks (Ansell and Gash 2008; Stout and Keast 2021). However, unlike strategic partnerships and alliances, collaborations are not based primarily on transactional or contractual relationships or minor mutual adjustments of actors each following their own agendas (Austin and Seitanidi 2012). Moreover, collaborations are not public forums that merely consult stakeholders on issues that concern them. Instead, collaborative value creation is based on different actors all playing active roles and participating in joint decision-making and sharing a societal mission (Ansell and Gash 2008). Stout and Keast (2021) distinguish collaborative governance from other arrangements (i.e., consolidation, coordination, competition, cooperation, and clientelism) by focusing on relational characteristics and power dynamics, stating that collaboration, ideally, should be self-organizing, egalitarian, deliberative, and based on open interaction, joint dialogue, and mutual learning. While consensus-seeking is a definitive feature (see Ansell and Gash 2008), this does not mean that consensus will be easy to achieve or that conflicts are not present. Nevertheless, actors should seek to form consensus on how to address common challenges and commit to shared goals (Stout and Keast 2021).

Collaborative governance is commonly characterized by institutional hybridity in the form of multiple institutional logics (see Bryson and Crosby 2006; Bryson et al. 2015; Crosby and Bryson 2010; Lee and Hung 2022). Institutional hybridity refers to the interplay between the institutional domains of public, private, and civic actors (Johanson and Vakkuri 2017). In collaborative governance, different actors may adhere to different institutional logics, commonly defined as "socially constructed historical patterns of material practices, assumptions, values, beliefs, and rules" (Thornton and Ocasio 1999, 84). In this study, we use the term institutional hybridity to refer to the multiplicity of institutional logics, for example, sets of beliefs, practices, and norms, within the same sphere of agency. By hybridization, we refer to the process through which actors combine and blend the elements of more than one institutional logic in their material practices, assumptions of the world, ways of understanding value, and rules that guide their action (see, e.g., Nylén et al. 2023).

Value creation generally refers to the process by which organizations generate worth for their stakeholders (e.g., customers, employees, shareholders, communities). This can include the creation of economic, social, and environmental value. Collaboration involves multiple autonomous actors over time and necessitates understanding value creation at various levels and stages, including individual actor, collaborative network, and societal and public perspectives (Emerson and Nabatchi 2015; Provan and Milward 2001; Skelcher and Sullivan 2008; Stout and Keast 2021). Value creation in collaborative settings relies on actors creatively combining and consolidating multiple institutional logics for joint and societal benefit (c.f., Johanson and Vakkuri 2017). For example, Page, Stone, Bryson, and Crosby (2015, 716) define collaborative value creation as "the extent to which a cross-sector collaboration achieves its overarching and subsidiary purposes, meets applicable mandates, and achieves lasting and widespread benefits at reasonable cost that no single organization could have achieved alone in a democratically accountable way." Innovativeness in solving complex problems, adaptation to complex environments, and the ability to meet the demands of various stakeholders are commonly perceived to stem from a combination of multiple institutional logics enriching the understanding of the nature of societal challenges and the ways they can be addressed.

2.2 | Multiple Institutional Logics and Collaborative PMM

Through PMM, actors seek to understand, assess, and enhance value creation. PMM systems and practices are representations of institutionally embedded values, value propositions, and value-creation mechanisms (Vakkuri 2022). Although institutional hybridity is often seen as a source of collaborative advantage due to the diverse knowledge, capabilities, and resources of different actors, what is considered valuable, as well as how performance and value creation are defined in collaborative settings, varies greatly depending on the differing perspectives and priorities of the actors involved (Boyne et al. 2005; McKenzie 2002). Actors representing different institutional domains perceive success in different ways (Varda and Retrum 2015) and view different sets of elements as relevant in solving a given policy problem (van Buuren 2009). For example, the logic of the market prioritizes the creation of transactional value and PMM approaches that focus on profitability and efficiency, whereas state logic emphasizes adherence to regulations and the achievement of policy goals, while professional logic might emphasize occupational best practices and standards.

A vast amount of research literature focuses on the value of collaboration from individual actors' perspectives. Actors take part in collaborations based on their strategic interests and cost–benefit assessments (Emerson and Nabatchi 2015; Voets et al. 2008), and thus, evaluations of individual benefits and costs are prominent and necessary. In public administration literature, collaborative advantage has been theorized mainly through resource dependency theory: collaborations are often viewed as instruments of policy implementation or as mediums through which public organizations can acquire strategic resources that enable public actors to reduce the uncertainty and complexity of the issues they attempt to mitigate (Lee et al. 2022). Collaboration enables public actors, through the engagement of non-state actors, to create public value in settings where critical resources for realizing public value lie in private or civic spheres of action, enhancing public sector performance through synergistic combinations of public, private, and civic value creation efforts (Lee and Hung 2022).

However, research literature explicitly focused on the performance measurement and management of collaborations commonly argues that collaborative value creation cannot be assessed solely from the perspective of one focal actor. For example, Vangen et al. (2015) make a distinction between the logics of 'collaborative governance' and 'governing collaborations,' where the former refers to collaborations as an instrument of public administration, implying that the value definitions of public administration should be employed in the evaluation of collaborative performance, whereas the latter focuses on actors jointly governing socially important issues through consensus-seeking and collectively developed measures. This perspective highlights performance and value creation as more open concepts that are collectively defined by the actors partaking in collaborative governance, and the need to negotiate and align actors' different institutional logics to reach consensus on value creation actions and the way they should be assessed and represented through PMM.

2.3 | PMM Approaches in Multi-Logic Settings

When forming PMM in collaborative settings, actors face difficult questions on how to deal with multiple, potentially conflicting values, value propositions, and value creation mechanisms stemming from multiple institutional logics, that is, institutional complexity (Greenwood et al. 2011). Different elements and levels may be emphasized depending on the logics that guide PMM. For example, PMM can emphasize policy value, relational value, value in costs and benefits to the partner organizations, value for external stakeholders or specific beneficiary groups, or value for the broader operating environment (c.f., Clarke and Fuller 2010). According to Douglas and Ansell (2021), collaborative governance arrangements, in general, can adopt three types of performance regimes based on their institutional context and

their responses to multiple institutional logics (c.f., Moynihan et al. 2011): Partners can choose to fully integrate their PMM practices, keep them separate, or find some middle ground between autonomy and integration (Douglas and Ansell 2021).

These responses and foci are reflected in different phases of constructing collaborative PMM practices: 1) Initiation and Design Phase, in which actors identify performance objectives and design metrics and measurements; 2) Implementation Phase, in which systems are set up, and tools, models, and procedures are selected to collect and process data, including new data collection and information-sharing practices; 3) Use Phase, in which these are used to assess and develop the collaboration and communicate performance to foster accountability (c.f. Bourne et al. 2000).

In many cases, actors keep their PMM systems separate, and collaborative performance is evaluated by focusing on benefits for individual partners. Decoupling institutional logics, where "the meanings attributed to various conceptions of performance are kept intact but separate to avoid disruptive conflicts" (Modell 2022) and adopting actor-centric PMM approaches are common in situations of high institutional complexity, when actions considered legitimate in one sector may be viewed as less legitimate by partners from other sectors (Lee and Hung 2022). Even when actors focus on the same issue, they may maintain different performance goals (Selsky and Parker 2005). Extant literature highlights that a key challenge in managing collaborative performance is the tendency of partners to align around common objectives while still prioritizing their individual strategies and practices (Alcamo et al. 2020; Chan et al. 2020; Horan 2022).

Douglas and Ansell (2021) term PMM systems that integrate various actors' logics and practices as "hybrid performance regimes." These systems represent a middle ground between actor-centric and joint PMM practices, adopting common measures to manage collaborative value creation by combining public, private, and third-sector rationales. This involves creating a PMM system that reflects separate but conjoined performance goals and PMM practices. As noted by Modell (2019, 431), "the establishment of shared meanings is particularly problematic where institutional complexity is high." PMM practices are more easily aligned if actors face similar institutional demands (e.g., Lee and Hung 2022; Selsky and Parker 2005). Moynihan et al. (2011) state that consensus building and joint goal setting in institutionally hybrid settings may be marked with "battles about the definition of performance" and "the specific measures that emerge are likely to reflect hard-fought compromises rather than obvious and neutral solutions." While collaborative governance literature emphasizes blending of institutional logics and the search for consensus on joint goals, in many instances, the actors may be prone to adopt middle-ground solutions and compromises.

Finally, in some cases, actors may construct PMM systems aligned with multiple institutional logics. Through creating new knowledge and forming consensus on common goals and actions needed to attain them, actors can create novel, hybrid conceptions of performance (Modell 2022). This builds ground for PMM systems that are oriented towards the value creation of the collaborative network instead of value creation as defined by individual actors (see Douglas and Ansell 2021). Extensive performance dialogues to reach consensus on performance may be needed, and actors need to understand and knit together their divergent views on what constitutes value, what actions should be taken to create it, and how it should be measured and monitored, assuming mutual accountability on joint performance goals. To what extent PMM practices blend in practice and how multiple logics are integrated into PMM, however, are rarely explored in the current literature focused on PMM of collaborations.

3 | Methods

3.1 | Review Approach

An integrative review was chosen to answer the research questions because it integrates knowledge from various communities of practice (Cronin and George 2023). Through thematic synthesis and juxtaposition of the extant body of research, integrative reviews can illuminate research gaps and propose alternate perspectives on the topic (Cronin and George 2023; Elsbach and van Knippenberg 2020). Communities of practice do not necessarily mean disciplines, but rather "the silos that emerge when different researchers share assumptions about how to characterize and study a topic" (Cronin and George 2023, 174). Both collaborative governance and PMM are prime examples of topics that are discussed across various disciplines and research traditions (Emerson et al. 2012; Vogel et al. 2022; Vakkuri 2022). Insights on performance and PMM of collaborations are spread across different scientific disciplines focused on different policy domains, and insights generated in these different communities of practice rarely come into contact with one another.

3.2 | Data Collection and Screening

We searched for peer-reviewed journal articles and book chapters from the Web of Science and SCOPUS databases. These databases were selected as the largest multidisciplinary databases due to their comprehensive coverage, global reach, high-quality content, and advanced search capabilities. We limited the search to records published in English but used no subject area filters because, in trial searches, relevant records were identified from various subject areas. Because collaborative governance as a concept was noted in earlier literature to be described in various terms, we used several proxy terms such as "collab*," "multistakeholder initiative," "stakeholder governance," "participatory governance," "participatory management," "policy network," "partnership," "alliance," and "hybrid governance" to find potentially relevant data. Similarly, we used proxy terms for performance, including "value," "perform*," "evaluat*," "account*," "impact," "outcome," "output," "efficien*," "effectiv*," and "results." The initial scoping search, in which the search terms appeared in the title, abstract, and keywords, produced more than 46,000 results. Hence, we limited the search to articles where the

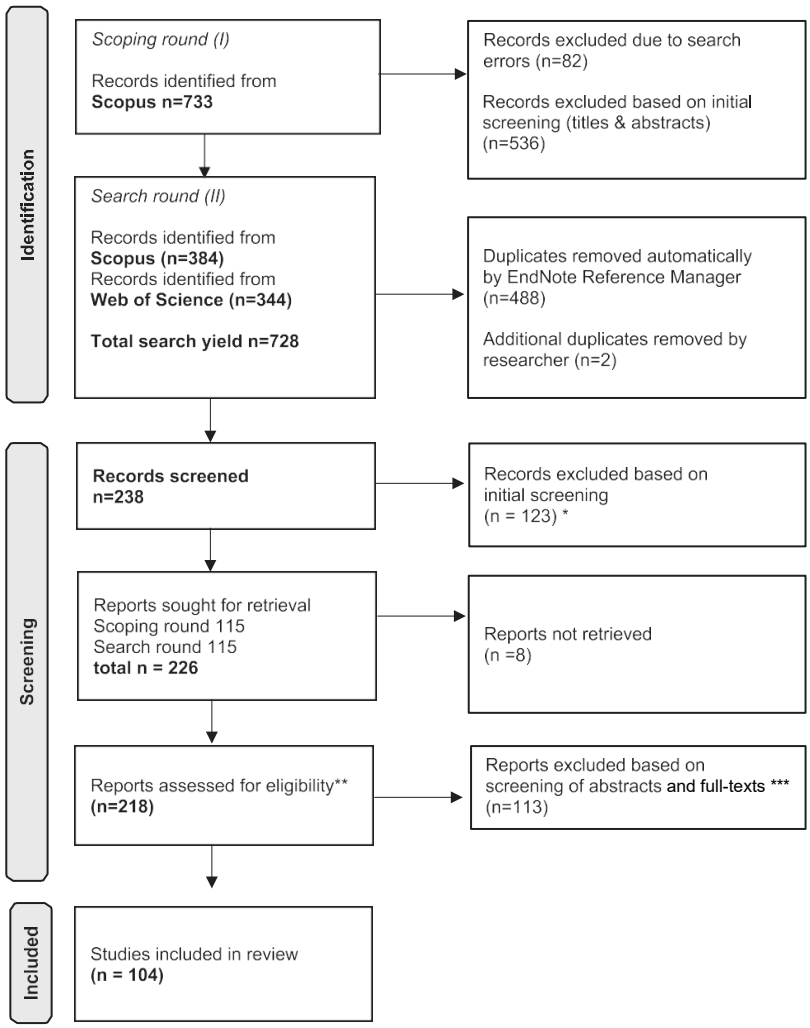

FIGURE 1 | Review flow diagram (adopted from PRISMA2020; see Page et al. 2021). *Exclusion was based on key search terms appearing in article titles clearly meaning something else (e.g., the term "network" yielded results such as neural networks or telecommunication networks). **Exclusion based on screening of the abstracts against research questions and aims: (1) Records where the definition of the term "collaboration" diverged significantly from definitions provided in this article were excluded, for example, those articles that described public-public or private-private collaboration; (2) Records where the term "sustainability" diverged from the meaning of the term in this article (e.g., sustainability of organizational form) (3) Records where performance was not clearly discussed (e.g., terms related to performance were mentioned or used, but focused on something else than PMM of collaborations). ***Exclusion based on reading of the full articles and evaluating them against research questions and aims. Articles with no substantial discussion on performance or PMM were excluded.

search term components related to performance and collaborative governance appeared in the title of the records, and sustainability was mentioned in the title, abstract, or keywords. Through this search, 733 records were identified in the scoping round from Scopus conducted in 2023. We further refined the search and conducted another search through Scopus and Web of Science databases in April 2024. This search yielded a total of 728 records. Figure 1 presents the process of the identification of the eligible studies. After removing the duplicates, abstracts were screened against the research aims and questions. Articles referring to collaboration within the same sectoral domain were excluded. In the articles included, 1) collaboration was formally organized; 2) non-state actors were included; and 3) non-state actors participated actively in collaborative work and decision-making. Articles where the work was based not on collaborative principles but contractual arrangements (i.e., many PPPs for infrastructure development) were excluded.

3.3 | Analysis

We began the analysis by addressing RQ1, categorizing articles into policy domains using the UN SDGs framework. The SDGs were used in the mapping because they are globally endorsed, encompass a broad range of policy domains, and offer a structured basis for comparison across divergent policy areas. We deconstructed PMM approaches by analyzing performance focus levels (actor, collaborative, societal, multilevel), performance dimensions, actor involvement in PMM phases (design, implementation, use), and tools and methods used. Articles were tagged based on explicit mentions of SDGs, related policies, or themes from bibliographic mapping and thematic synthesis and categorized into different policy domains based on their foci and communities of performance practice based on their conceptualizations of performance. These were highly aligned, and approaches towards performance were typically consistent across the literature in each policy domain. Hence, we used the policy domains as captions for different communities of practice. We then sought to identify the institutional logics that informed the performance conceptualizations and PMM practices in each domain through pattern matching (Reay and Jones 2016) by using logics previously identified in the literature as our point of departure (see Thornton et al. 2012). We looked for elements and patterns commonly associated with these logics but closely reviewed the data for both context-specific manifestations and local logics that we might encounter during the analysis (c.f., Reay and Jones 2016; Lounsbury et al. 2021). PMM practices could be informed by a combination of different institutional logics, in which case they were labeled as "multi-logic" approaches. To answer RQ2, we focused on these articles containing more than one institutional logic in performance management practices and conducted a thematic content analysis to draw detailed insights on how multiple logics were integrated into PMM. The results were categorized based on the PMM construction phase and are presented in the next section of this review. We categorized the literature into three phases of performance management system formation by systematically coding each article based on whether it focus on goal-setting and defining objectives and metrics (Initiation and Design), setting up data systems and procedures (Implementation), or using performance information for learning, collaboration, decision-making, and accountability (Use), and then analyzed patterns across studies to identify dominant themes and gaps.

4 | Results

4.1 | Synthesis of the Reviewed Research Literature and Logic Patterns

The final sample comprised 104 studies published between 2000 and 2024. The majority of the studies were published after 2010. Out of the total sample, 14 articles focused on SDG 15 (Life on Land) and environmental resource management; 13 on SDG 3 (Good Health and Wellbeing) through health interventions; 11 on SDG 11 (Sustainable Cities and Communities) through urban sustainability collaborations; 10 on SDG 14 (Life Below Water) through co-management of aquatic ecosystems; 10 on SDGs 12 and 9 (Responsible Consumption and Production and Industry, Innovation, and Infrastructure) through sustainable business practices; 7 on SDG 7 (Affordable and Clean Energy); 7 on social improvements related to SDGs 1 (No Poverty) and 10 (Reduced Inequalities); 5 on SDG 6 (Clean Water and Sanitation); 3 on SDG 2 (Zero Hunger); and 2 on SDG 13 (Climate Action) through disaster prevention and climate adaptation, and 1 article that was connected with SDG 16 (Peace, Justice, and Strong Institutions). The remaining articles addressed SDGs in general, particularly SDG 17 (Partnerships for the Goals). SDG 4 (Quality Education), SDG 5 (Gender Equality), and SDG 8 (Decent Work and Economic Growth) were not included in the sample, as there were no collaborative governance arrangements addressing education, gender issues, or peace and justice within the literature sample. This may be due to social themes not being explicitly discussed under the label of "sustainability," which was part of our search parameters.

The reviewed studies were published in a wide variety of journals, and only a few journals appeared in the list more than once, namely Business & Society ($n = 3$), Journal of Cleaner Production ($n = 3$), Sustainability Science ($n = 2$), Global Policy ($n = 2$), World Development ($n = 2$), Environmental Policy and Governance ($n = 2$), and Environmental Management ($n = 2$). The sample represented a total of 89 different journals and publication outlets, comprising mostly specialized journals such as Water Policy, Forest Science, Frontiers in Marine Science, Frontiers in Sustainable Food Systems, and Health Promotion Practice rather than governance or public administration and policy journals. While in some instances there were referrals to the same, more general highly cited studies on collaborative governance including Selsky and Parker (2005), Bryson et al. (2015), Ansell and Gash (2008), Provan and Kenis (2008), Clarke and Fuller (2010), Emerson et al. (2012), within the reviewed literature, there were very few cross-citations and practically none across the domain categories, with the exception of Bäckstrand (2006) study focused on accountability and effectiveness in Johannesburg Partnerships, and Clarke and MacDonald (2019) study focused on resource-based view and partner-level outcomes of partnerships for sustainable community plan implementation. This confirmed that, as described by Emerson et al. (2012) and Vogel et al. (2022), discussions on the performance of collaborative governance were highly dispersed across different areas of research. Respectively, there was significant variation in institutionalized conceptions of performance across different policy domains.

Although there was some variation also within each domain, their cross-comparison revealed patterns of dominant logics that directed approaches towards performance: In the domain area of health and wellbeing (SDG 3), approaches towards conceptualizing and managing collaboration performance aligned most commonly with medical professional logics and emphasized patient outcomes, whereas collaborations focused on social wellbeing and improvement (SDGs 1 and 10) emphasized beneficiaries' experiences, leaning towards community and family logics. Governing sustainability of the energy systems (SDG 7) and supply chains (SDG 9), in contrast, relied much more on private sector involvement and market logics, most commonly conceptualizing collaborative performance through benefits to the participating businesses and actions

collectively undertaken. Collaborative governance arrangements that were focused on life on land (SDG 15) and life below water (SDG 14), primarily focused on co-management or co-governance of environmental resources, in turn, were typically more sensitive to multiple actors with divergent logics, emphasizing indigenous and community logics along with state and market logics, but performance thinking was simultaneously heavily impacted by ecological considerations, that is, the environmental impacts of collaboration. Out of the total of 105 reviewed articles, only 20 articles contained some insights on how multiple logics can be integrated into PMM of collaborations, while the remaining majority followed sectoral rationales and actor-centric approaches. These insights are synthesized in the sections below.

4.2 | Multiple Logics in PMM System Initiation and Design

Out of the total sample of 104 articles, there were no articles explicitly focused on PMM system initiation or design. However, several studies addressed aspects of this phase indirectly—for instance, through discussions of goal-setting, indicator development, or early-stage planning—even though these were not the primary focus of the research. Most of the studies in the sample aligned with a single logic rather than multiple, and insights on PMM system initiation and design were limited to a few pieces on conceptual work and fragmented ideas put forth in empirical studies set in various policy domains. Echoing collaborative governance literature, the overarching principle in the PMM initiation and design phase, in these articles, was to approach performance not as a concept predefined by any single actor, but as an open construct for actors to collectively engage with and develop together.

Table 1 provides a synthesis of insights from the literature concerning PMM system initiation and design. For example, Bianchi (2021) proposed, in the context of collaborative governance arrangements promoting urban sustainability, that the currently prevalent outcome-based PMM is based on an "inside-out" view where policy design is outlined from the conventional logics of public administration. According to Bianchi (2021), collaborative governance requires public administrators to adopt an "outside-in" view of value creation based on commonly agreed goals and sharing of strategic resources with other actors in tackling complex policy challenges, where the policy problem works as a point of departure in designing collaborative PMM. Similarly, Plummer et al. (2022), in the context of partnerships focused on knowledge co-production to address sustainability challenges, proposed a step-by-step model that begins with clarifying actors' expectations and roles, conducting a baseline assessment, and identifying desired socio-economic changes. From there, actors should advance to developing a causal and conceptual model for achieving these changes—a shared theory of change—and selecting indicators to track their progress.

Furthermore, several studies touch upon the importance of connecting actors' logics and actor-level performance with jointly developed commonly agreed goals and models and broader policy objectives. For example, Sanderink and Nasiritousi (2020), in the context of partnerships for clean energy, propose that the actors should focus on fostering normative alignment with shared international commitments to enhance institutional alignment, and through that, the effectiveness of collaboration.

4.3 | Multiple Logics in PMM System Implementation

In the majority of the articles included in this review, performance systems were not based on the collaborative initiation and planning processes, and consequently, joint PMM practices incorporating multiple logics were rare. The most common approach to addressing diverse logics and values was surveying or interviewing participants about their perceptions of the value of collaboration. Of the 104 studies, 39 employed stakeholder surveys or interviews, either as the primary method for assessing collaboration performance or by combining subjective perceptions with objective measures like environmental outcomes or co-developed KPIs. Survey and interview methods were frequently employed in evaluating the interactions, relational ties, and collaborative dynamics (e.g., Clarke and MacDonald 2019; Mathers et al. 2015; Sanderink and Nasiritousi 2020), occasionally uncovering stakeholder dissatisfaction (e.g., Assuah et al. 2016; Clarke and MacDonald 2019). However, these methods often served as supplementary data to traditional public sector PMM and were more oriented towards "customer satisfaction" than assessing multiple forms of value creation at multiple levels of analysis.

Few studies described stakeholder-driven processes of developing joint KPIs (See Table 2). For example, in the domain of environmental resource governance (SDG 15), Munoz-Erickson et al. (2010) provided a record of the development of a "holistic ecosystem health indicator," a PMM system developed to record the outcomes of collaborative environmental resource governance in northern Arizona, USA. Joint PMM was developed and implemented through a stakeholder-led effort in which indicators were selected and their values interpreted collectively. In the first phase, academic professionals, in close collaboration and consultation with the stakeholders, developed initial indicators for the co-developed management plan. Next, each participant evaluated the utility and validity of each indicator, all of which were subsequently adopted, modified, or eliminated by the entire group. The partners also collaboratively organized data collection to track their progress. Similarly, in the policy domain of Clean Energy (SDG 7), partners within The Renewable Energy and Energy Efficiency Partnership (REEEP) collectively set a framework for collaborative interventions and adopted the Logical Framework Approach with Outcome Mapping, focusing on the changes in the actions of the key stakeholders to map collaboration performance (Parthan et al. 2010) (Table 2).

4.4 | Multiple Logics PMM System Use

Considering the scarcity of studies focused on multi-logic approaches to PMM system design, initiation, and

TABLE 1 | Incorporating multiple logics into the initiation and design of PMM.

Insights	Authors	Collaboration(s)	Policy domain	Approach described
Using policy problem as a starting point for joint sensemaking and developing joint theory of change	Bianchi (2021)	Focuses on collaborative governance in general in the context of cities and urban sustainability	Urban sustainability (SDG 11)	Outcome-based performance management is argued to base on "inside-out" view where policy design is outlined through the lenses of each organization. Collaborative governance requires public administrators to adopt "outside-in" view focused on commonly agreed goals and sharing of strategic resources with other actors.
	Pereira (2013)	Collaboration among foundation, city government, and nonprofit stakeholders focused on social housing through the Rhode Island Foundation	Urban sustainability (SDG 11)	The study, while not having explicit focus on PMM, describes in detail the processes through which actors jointly define problems to be addressed and device collaborative interventions, and co-develop KPIs to track those interventions.
	Plummer et al. (2022)	Partnerships for knowledge co-production to address sustainability challenges with Higher Education Institutions (HEIs) and non-academic actors including businesses, policymakers and public organizations, and civil society groups. The study addresses these types of partnerships in general.	Partnerships for sustainability (SDG 17)	The study proposes step-by-step performance assessment and impact evaluation processes based on clarification of expectations and roles and a common baseline assessment and identification of expected socio-economic system changes, the development of causal and conceptual model on how they can be achieved, and corresponding indicators to track changes for evaluating impacts of collaborative work. Authors emphasize co-production of performance knowledge and performance as an open notion that actors need to collectively make sense of.
Recognizing stakeholders' multiple values, performance goals, and perceptions	Grossi and Trunova (2021)	Collaboration between local governments, businesses, citizens, NGOs with a purpose to design and implement the smart city project of the city of Moscow, Russia.	Urban sustainability (SDG 11)	The study reflects on the Sustainable Development Goals (SDGs) agenda and Key Performance Indicators (KPIs) for sustainable and smart cities developed by the United Nations (UN) as a possible measurement tool for multiple values in the development of a smart and sustainable city. The authors note that development is based on collaboration and should produce multiple values for a range of actors which UN KPIs do not fully capture as a general level universal framework. The authors propose further exploration of the nature of public value in this context.
	Clarke and MacDonald (2019)	Four Canadian multi-stakeholder partnerships consisting of local governments, businesses and NGOs implementing community sustainability plans: Whistler2020, Hamilton's Vision 2020, Montreal Community Sustainable Development Plan 2010–2015, and Greater Vancouver's cities	Urban sustainability (SDG 11)	Study focuses on partner outcomes as physical, human, and organizational capital gained through participation in the partnership by different types of organizations, emphasizing partner-level value creation and interpretations of the stakeholders on the benefits that they gain through the partnerships.

(Continues)

TABLE 1 | (Continued)

Insights	Authors	Collaboration(s)	Policy domain	Approach described
Defining each actor's roles and connecting activities with broader policy targets	Henry et al. (2022)	Fixed term German partnership to address urban sustainability by generation and implementation of new initiatives called in the study as "Climate Net". The partnership consisted of local government, local businesses, civil society.	Urban sustainability (SDG 11)	Does not discuss any specific approaches to set joint performance goals and initiate joint performance system planning but emphasizes that actors differing performance expectations need to be addressed. The study proposes "customized inviting" (during the formation phase), "sequential including" (during the preparation phase), and "tailored instructing" (during the implementation phase) to deal with differing performance expectations.
	Sanderink and Nasiritousi (2020)	The Renewable Energy and Energy Efficiency Partnership (REEEP), the Renewable Energy Policy Network for the 21st Century (REN21) and Sustainable Energy for All (SEforALL) consisting of various public, private, and third sector participants with a purpose to promote a worldwide uptake of renewable energy, provide funding for clean energy development, build capacity and share information	Clean Energy (SDG 7)	Study acknowledges that institutional complexity may impact partnership performance and focuses on how political, cognitive, normative, behavioral, and impact level interactions influence on effectiveness of the energy partnerships. Fostering normative alignment with shared international commitments can increase partnerships effectiveness. No specific framework is introduced, but politico-cognitive institutional alignment is considered important in enhancing the overall performance – These include collective decisions and shared measurements.

implementation, it was no surprise that there were virtually no studies explicitly focused on exploring how different actors engage with the information produced and use PMM to develop joint value creation, nor studies that would focus on reporting and accountability. There were few studies that nonetheless contributed relevant insights. Couple of studies within the sample raised concerns over the accountability of collaborations. For example, Bäckstrand (2006), in the context of the so-called Johannesburg Partnerships, concluded that there was a lack of concrete and quantitative targets, timetables, and goals. Furthermore, these partnerships failed to attract new funding for sustainable development and instead rechanneled existing funding into the partnerships, which in many cases proved ineffective in generating social or environmental impacts. Hence, Bäckstrand (2006) called for more scrutiny on the value added by collaborations. While the study was highly cited within the literature sample, within the sample the studies scrutinizing accountability, comparing collaborations against other modes of governance, or exploring accounting and reporting of collaborations were scant.

Across the empirical studies, there were few fragmented insights related to multiple institutional logics in the use of PMM. While the study by DiVito et al. (2021) mainly focuses on private value creation and capture, the interview data show that disseminating performance knowledge among the partners was highly important in terms of keeping the partners engaged with the partnerships. However, without a broader surrounding framework of partnership development and appropriate assistance in administering partnership tools, the potential benefits of self-evaluation and dissemination of performance knowledge may remain limited, as displayed in the record on the use of a partnership self-evaluation tool in local health partnerships in Australia by Sunderland et al. (2009). In their study, only 8 out of 17 partnerships used the self-evaluation tool due to lack of time, technical difficulties, or perceptions that it was too early to evaluate the partnership (Table 3).

5 | Discussion

The results of the review of extant research literature demonstrate the need to acknowledge performance as an institutionally embedded and complex phenomenon and to take institutional hybridity into account as part of the broader research agenda on collaborative governance. We identify three central knowledge gaps that warrant further research attention and outline the following suggestions for future research:

Suggestion 1. *Actors need to align multiple institutional logics to form a consensus on how performance is measured and managed, and track value creation at multiple levels and at various stages of value creation based on a jointly developed theory of change and a co-constructed system of PMM. Future research should use, enforce, develop, and disseminate multi-level and multi-value frameworks put forward in collaborative governance literature*.

The results of this review succinctly demonstrate that while the collaborative governance paradigm emphasizes consensus and shared goals, performance measurement and management often prioritize sectoral rationales and individual actors' logics

TABLE 2 | Incorporating multiple logics into the implementation of PMM.

Insigths	Authors	Collaboration(s)	Policy domain	Approach described
Co-developing joint multi-level and multi-value measurement frameworks	Munoz-Erickson et al. (2010)	"The Diablo Trust", a land/ecosystem management collaborative consisting of federal and local agencies (e.g., US Forest Service, Arizona State Land Department, Arizona Game and Fish Department, and US Natural Resource Conservation Service), ranchers, and civil society participants with a purpose to exercise adaptive and collaborative land management	Environmental resource governance (SDG 15)	The study introduces a framework that integrates multiple ecological and socioeconomic criteria to evaluate management effectiveness of collaborative processes, developed through a stakeholder-led effort in which indicators are selected, and their values are interpreted through a collaborative process. In the first phase, academic professionals, in close collaboration and consultation with the stakeholders, developed initial indicators for the co-developed management plan. Next, each participant evaluated the utility and validity of each indicator, all of which were subsequently adopted, modified, or eliminated by the entire group. The partners of the trust collaboratively organized on-ground data collection.
	Lachance et al. (2018)	The Food & Fitness (F&F) community partnerships in six communities in the United States: Boston, MA; Detroit, MI; Holyoke, MA; New York City (Brooklyn Borough); Northeastern Iowa; Oakland, CA.	Good Health and Wellbeing (SDG 3)	Partnerships part of the study used standardized methods to collect data with the specially developed tracking tool, including ongoing documentation, consultations with leadership and stakeholders, and opportunities for members to contribute and review reported data. These collaboratively developed methods, established during the pilot phase, guided the cross-site evaluation process. In addition, stories of systems and policy change examples were used.
	Parthan et al. (2010)	The Renewable Energy and Energy Efficiency Partnership (REEEP), governed by national and regional governments, finance and business organizations, NGOs, and other key experts, with a purpose to promote a worldwide uptake of renewable energy, provide funding for clean energy development, build capacity and share information.	Clean Energy (SDG 7)	Partners collectively set framework for interventions and evaluate renewable energy projects to be supported out of submitted proposals. Authors recognize the difficulties in demonstrating impacts in many cases, because projects do not focus on physical energy infrastructure but on capacity building and market development. The partnership has adopted Logical Framework Approach with Outcome Mapping that focuses on changes in approach and actions of the key stakeholders.
Employing existing science-based evaluation methods along with stakeholders' subjective evaluations	Lienert et al. (2022)	Collaborative governance of disasters through co-developing joint flood forecasting system in Western Africa	Climate Action (SDG 13)	The study provides a record of flood forecasting system for collaborative disaster governance co-designed in workshops with 50–60 stakeholders from 17 countries, adopting multi-criteria decision analysis (MCDA).
	Yahia et al. (2021)	Collaborative networks for "smart city co-governance"	Urban sustainability (SDG 11)	The study characterizes "smart organizational factors" or "smart criteria" impacts on the performance of collaborative governance arrangements, conceptualized as system's sustainability-enabling resilience, and employs network analysis and system dynamic modeling in understanding complex interactions that influence the performance

(Continues)

TABLE 2 | (Continued)

Insigths	Authors	Collaboration(s)	Policy domain	Approach described
Engaging stakeholders into the PMM processes and data generation	Albert et al. (2008)	Land use planning committee consisting provincial governance and local agencies, and multiple other stakeholders such as forest corporations, local businesses and landowners, indigenous groups and environmental groups with a purpose to draft and govern the implementation of the land use plan	Environmental resource governance (SDG 15)	Multiple actors included in the monitoring table. Monitoring included both "objective" and "subjective" measures, the latter being based on stakeholders' conceptions collected via stakeholder survey on whether "criteria for successful land use plan implementation" was met, including, for example, items related to clear objectives, stakeholder support, adequate information and resources for the implementation, and opportunities for equal participation.
	Assuah et al. (2016)	The case of the Wetzin'kwa community forest corporation, based on collaborative organization that consisting of local administration, representatives of the First Nations, industry representatives, and forest service corporation and exercises collaborative forest management	Environmental resource governance (SDG 15)	Performance evaluated by interviewing participants, and examining the economic, social, and environmental indicators determined by the participants. The study acknowledges that forests management is subject to multiple values and shows how local values and logics are incorporated into management practices, which are considered in the study in relation to the indicators of the community forest management corporation and the indicators established by the provincial government and the Canadian Council of Forest Ministers.
	Cullen et al. (2010)	To draft and govern the implementation of a land use plan	Environmental resource governance (SDG 15)	Focuses on how marginalized stakeholders (indigenous communities) are included in governance of land use plan through "two-tiered planning model" in which these groups performance perceptions gain greater recognition.
Assessing the equity of outcomes	Dobbin et al. (2023).	Groundwater Sustainability Agencies (GSAs) in California, USA, formed to govern and manage groundwater in collaboration with water agencies and other stakeholders	SDG 6 (Clean Water and Sanitation)	The study draws attention to equity of outcomes, defined through measures of stakeholder perceptions about the equity and measures of the distribution of costs/benefits. The study employs environmental justice assessment models and considerations of key indicators that depict benefits to beneficiaries to capture equity of the outcomes of the partnership. While the article does not directly address PMM for multiple logic, it raises equity as one of central concepts to address the representation of different logics within collaboration.

TABLE 3 | Incorporating multiple logics into the use of PMM.

Insights	Authors	Collaboration(s)	Policy domain	Approach described
Demonstrating accountability to internal and external stakeholders	Bäckstrand (2006)	Johannesburg Partnerships	SDG 17	The study focuses on accountability, effectiveness, and input and output legitimacy of the Johannesburg partnerships, and while it does not suggest any specific approaches to the use of PMM, the study calls for more systematic review, reporting and monitoring, as well as open deliberation among the stakeholders on the effectiveness and legitimacy of the value creation efforts.
Disseminating performance knowledge among stakeholders	DiVito et al. (2021)	A textile manufacturing alliance "TEXALL" focused on addressing sustainability issues in the textile industry, including NGOs, municipal government agencies, an industry association, and 12 large and small firms with purpose of collective capacity building to advance sustainable practices in the textile industry (focus on decreasing water and chemical use in textile manufacturing)	Sustainable supply chains (SDG 9)	The study focuses on value creation and emphasizes the interlinkages between private value capture and value creation at collaborative and societal levels but does not explicitly focus on performance measurement or management. However, the interviews reveal that sharing of stories of value gained by participants and the challenges they faced was motivating to the partners. The study proposes three governance mechanisms that enhance value creation: 1) Safeguarding partners knowledge and interest, 2) bundling them through information exchange, and 3) connecting them with external knowledge resources.
Supporting actors in producing data and in using the results in developing joint activities	Sunderland et al. (2009)	17 health partnerships in Australia	Good Health and Wellbeing (SDG 3)	The study examines the use of a survey-based partnership self-evaluation tool. The results highlight that in order to foster use of PMM, PMM needs to have clear developmental goals and connect with broader frameworks.

over collaboratively negotiated consensus on joint value creation and necessary changes. Surveys and interviews, which within the analyzed literature proved to be the predominant approach to acknowledge actors' varied perceptions of performance, can provide valuable insights but may easily produce biased and variable results and a fragmented view of overall performance (cf. Emerson and Nabatchi 2015). Based on the results, the full breadth of collaborative value creation often remains largely uncharted. One-sided PMM practices may legitimize ineffective collaborative efforts (see, e.g., Peeters et al. 2023) or yield contradictory insights on whether collaborative governance arrangements create value and contribute to sustainable development (cf. Jay 2013; Pascual Sanz et al. 2013). The results of this review also demonstrate that while PMM frameworks have been put forth in the literature on collaborative governance and governance networks (e.g., Bianchi 2021; Bryson et al. 2016; Douglas and Ansell 2021; Emerson and Nabatchi 2015; Page et al. 2015), only a few studies have adopted these frameworks to discuss, debate, or assess the performance of collaborative governance arrangements. To overcome these challenges, greater emphasis should be placed on the policy problems as the point of departure for collaborative value creation (cf. Bianchi 2021; Douglas and Ansell 2023).

Suggestion 2. *Future research discussing the performance of collaborations should better acknowledge institutional hybridity and more explicitly focus on how actors can jointly develop and make sense of collaborative performance, for example, by exploring performance dialogues and consensus-building processes*.

Assumptions and theorizations of performance should be consistent and aligned with other theoretical ideals of the collaborative governance tradition. To some extent, extant assumptions of performance may be surprisingly "non-collaborative" by their characteristics. This inability to address multiple institutional logics in setting joint performance targets can undermine democratic values and process legitimacy (cf. Page et al. 2015) and may hinder collaboration in areas that are societally critical but fraught with value conflicts. The results of this review demonstrate that extant literature offers little insight for actors on how to co-construct PMM systems that integrate actors' multiple institutional logics and align actors' individual and collective efforts with broader policy goals. Thus, more efforts are also needed to produce and disseminate research that supports actors in 'knitting together a range of processes, structures, and indicators at different levels' (Halligan et al. 2012) and helps actors in fostering interactive routines through which they can build consensus on shared performance goals (Douglas and Ansell 2021; Douglas and Ansell 2023).

Suggestion 3. *Research and practice must acknowledge that making things measurable and manageable may simplify complex phenomena and enforce the status quo. Future research should be more explicit on multiple voices and vantage points of different actors as well as power asymmetries among the stakeholders*.

PMM practices, in general, may be attuned for standardization and governability instead of multiple voices and value perceptions. Thus, collaborations' resources for designing and developing comprehensive PMM systems that capture actors' multiple logics may be limited. This means that collaborations face a number of complex questions: How to balance inclusiveness and efficiency in developing joint value creation? How to balance value-for-actors and value-for-society and align actors' value creation goals with broader policy goals? How to develop performance systems that capture actors' multiple logics yet are still consistent and do not burden the actors with excessive reporting requirements? All these questions warrant further empirical investigation. Future research could open up power dynamics and inequalities associated with performance conceptions and PMM practices and explore multiple voices and divergent positions towards collaborative performance to make them visible and more prominent objects of study in public administration research. Hybridity through multiple institutional logics could constitute the basis for theorizing the multifaceted institutional diversity of collaborative performance in sustainable development. This could shift attention to issues of power, voice, and representation (Bäckstrand 2006) and, instead of focusing on dialogical symmetry and deliberative democracy, open new avenues for future research on agonistic pluralism and critical dialectics (see, for example, Bebbington et al. 2007; Dillard and Brown 2013).

As with any research, this review is not without limitations. Firstly, relevant studies may have been omitted due to the search parameters used. Therefore, the present synthesis presents the state-of-the-art in the academic literature limited to the key concepts employed in this review. Furthermore, inclusion and exclusion decisions involved authors' interpretations of theoretical concepts and literature. It should be noted that most of the articles did not explicitly focus on how actors constructed performance systems to manage collaborative performance, but we still considered these articles to provide valuable insights and represent the state-of-the-art in the current research focused on the performance of collaborations. Secondly, as institutional logics and institutionalized perceptions of performance were not explicitly stated but latent, extracting them from the reviewed literature involved the authors' own reflection of the literature against the theoretical background.

6 | Conclusions

Understanding how multiple institutional logics influence PMM is crucial for collaboratively governing sustainable development policies, which requires blending various value constellations and involves diverse actors across different levels and sectors. Therefore, it is essential to build a collective understanding of performance and determine how collaborators can create value aligned with their divergent institutional logics while addressing societal and environmental challenges. This integrative review advances the institutional approach in collaborative governance research by addressing the critical knowledge gap on incorporating multiple institutional logics into the PMM of collaborations. The results of this review clearly show that while PMM literature on collaborative governance for sustainable development touches on institutional hybridity, it rarely addresses the multiple logics shaping performance thinking and PMM practices. Empirical research tends to focus on institutional logics relevant to specific policy domains without engaging with the broader PMM frameworks proposed in the collaborative governance literature.

To address these limitations, practitioners should begin by using the policy problem as a foundation for joint sensemaking, actively engaging stakeholders to understand their diverse values, performance goals, and perceptions. It is crucial to clearly define the roles of each actor and ensure alignment between partners' activities and broader policy objectives. Practitioners should co-develop shared metrics, with a strong focus on ensuring equity in outcomes, and involve stakeholders throughout the information-gathering process. They should also provide support for data production, facilitate the dissemination of results, and ensure transparency by demonstrating accountability to external stakeholders. Researchers could use hybridity and multiple institutional logics as a basis for theorizing performance as an institutionally embedded and plural notion that is open for both practitioners and researchers to elaborate. The institutional approach can aid actors in making sense of fragmented and diverse conceptualizations of performance and further theorize and develop the performance governance of collaborations.

Conflicts of Interest

The authors declare no conflicts of interest.

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Supporting Information

Additional supporting information can be found online in the Supporting Information section.