

# Special Issue of *Organization & Environment* on “Nonfinancial Disclosure and Real Sustainable Change Within and Beyond Organizations: Mechanisms, Outcomes, and Complications”

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Submission Deadline: March 29, 2021

## Topic of the Special Issue

With this Special Issue of *Organization & Environment* we seek to advance our understanding about the implications of nonfinancial reporting on sustainable change within and beyond organizations. Nonfinancial reporting such as sustainability, corporate social responsibility (CSR), and climate reporting has become a mainstream topic in management and accounting research as well as in business practice (Eccles et al., 2011), and is generally understood as information disclosed by companies about how they operate and manage social and environmental challenges (European Parliament, 2014).

Prior management research has been predominantly guided by a perspective on regulations. The literature has examined, for example, the role of nonfinancial reporting standards and their design (e.g., Grushina, 2017; Rawhouser et al., 2018). Other studies have shown a potential consolidation in the very diverse nonfinancial disclosure landscape where voluntary guidelines exist alongside mandatory reporting regimes (e.g., Aragón-Correa et al., 2020; Eberlein, 2019). Research has also critically examined how national standards coexist and compete with international frameworks (e.g., Einwiller et al., 2016).

Prior accounting research has studied nonfinancial reporting in parallel. Its scholars have explored how disclosure rules influence economic decisions that firms make (e.g., Graham et al., 2011; Kanodia & Sapra, 2016). This economic focus has produced studies that have related disclosure of sustainability information to, for example, a firm's financial performance or market value (e.g., Luo et al., 2015; Matsumura et al., 2014).

In light of increasing societal demand for information about the non-financial performance of firms, however, more advanced issues require scholarly attention. These require shifting focus to behavior and actions, and their consequences: *We know surprisingly little about whether, why, and how sustainable “outputs” such as a nonfinancial report or other information disseminated to stakeholders materialize into sustainability-related “outcomes”* (de Bakker et al., 2020; Hahn et al., 2015). For this reason, we have little insight into the links of the causal chain that connect non-financial disclosure to sustainability-related outcomes, such as reduced carbon emissions, enhanced biodiversity, or improved human rights.

We believe that notable effects and outcomes of nonfinancial disclosure hinge on the behavior of a diverse set of actors not only outside the disclosing organizations but also inside (e.g., board members, managers, and regular employees). For example, the increased transparency that nonfinancial disclosure stimulates can pressure companies and their managers to improve sustainability performance (Herremans et al., 2016). We are just beginning to understand how this pressure is manifested in policies and behavior (Kim & Lyon, 2011; Matisoff, 2013), not all of which lead to real change (Marquis et al., 2016). Overall, we need to know more about how actors inside disclosing organization adjust their behavior and rearrange organizational strategies, practices, and procedures (Wickert & Risi, 2019) and deal with resistance they may face (Wickert & de Bakker, 2018).

Behavioral change within the organization often depends on, and is interrelated with, behavior and behavioral change of actors *outside* the organization who deploy nonfinancial information. We know little about the specific agendas, relationships, interdependencies, and decision-making processes of the users of nonfinancial disclosure within and outside of reporting organizations. The matter is complicated by the heterogeneity of these addressees and users of nonfinancial information (e.g., equity and debt investors, the media, employees, governmental actors, non-profit organizations, and pressure groups). This makes it difficult for firms to decide when, how, and what to report, and for whom (Bansal & Knox-Hayes, 2013; Reimsbach et al., 2019). A further complication is the specialized data vendor industry, which uses an array of measurement metrics that require correct contextualization (Eccles et al., 2019).

Against the background of this heterogeneity and ambiguity it is not surprising that research in nonfinancial disclosure is anchored in numerous theories focusing on different levels, including fields, organizations, and individuals. A portfolio of methodologies also has been applied in these studies. And as noted, a range of disciplines finds this research domain compelling, including accounting, strategic management, organization studies, and psychology. For this special issue, we embrace the full variety of different levels of analysis and potential cross-level effects, methods, theoretical perspectives and disciplines to explore the phenomenon of non-financial disclosure and sustainable change within and beyond organizations.

Contributions to the Special Issue may therefore cover (but are not limited to) the following research questions:

- What are the mechanisms through which nonfinancial disclosure leads to sustainable change within organizations, and how might those outcomes materialize over time?
- Do different types of nonfinancial disclosure (e.g., climate disclosure, sustainability reporting, integrated reporting, human rights reporting) have different behavioral outcomes when it comes to advancing sustainability?
- How and when does nonfinancial disclosure elicit organizational change and, subsequently, to changes in nonfinancial performance?
- Do mandatory and voluntary types of disclosure lead to different behavioral changes?
- Under which circumstances do mandatory and voluntary types of disclosure lead to sustainable change within organizations?
- What fosters or hampers sustainable change through nonfinancial disclosure in various societal actors?
- Where and how do different stakeholders use information from nonfinancial disclosure, and with what effect?
- What effects do different information traits (e.g., quantity, quality, reliability) have on the actions of decision makers within or outside of the disclosing organization?
- How do different users of non-financial reports influence change in disclosing organizations?

## Submission Process and Deadlines

- Authors should submit their full manuscripts through ScholarOne Manuscripts by March 29, 2021, through <http://mc.manuscriptcentral.com/oe>
- *Important: Be sure to specify in the cover letter document that the manuscript is for the special issue on “Nonfinancial Disclosure and Real Sustainable Change Within and Beyond Organizations: Mechanisms, Outcomes, and Complications.”*
- Manuscripts should be prepared following the *Organization & Environment* author guidelines, available at <http://oae.sagepub.com/>
- After an initial screening by the guest editors, all articles will be subject to double-blind peer reviewing by a minimum of two anonymous referees and editorial process in accordance with the policies of *Organization & Environment*.
- Authors who are invited to revise and resubmit their papers will be invited for a manuscript development workshop (expected date and location: Fall 2021, Düsseldorf, Germany). Acceptance for presentation at the workshop does not guarantee acceptance of the paper for publication in *Organization & Environment*.

## About the Journal

*Organization & Environment* is the leading sectoral journal organizations, management, and sustainability, with a 5-year Impact Factor of 8.551. The journal aims to publish rigorous and impactful research on the management of organizations and its implications for the sustainability and flourishing of the social, natural and economic environment in which they act. Its home page is <https://journals.sagepub.com/home/oe>.

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