

The British Accounting Review: Special Issue

New challenges in governance, sustainability and accountability of universities

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Call for papers:

The recent pandemic has brought to light some new challenges in higher education and some of the shortcomings of the governance of universities across the globe, resulting in commentators asking what is the role of a university? These are exacerbated by global issues such as the carbon neutrality promises by universities, gender equality and geopolitical concerns, such as the war in Ukraine. Moscardini, et al (2022) argues that the current rate of unprecedented change demands public universities to modify their role and respond to these emerging challenges. However, there seems to be a tendency for some university governing bodies to focus on maintaining financial sustainability, with less attention to key issues associated with social and environmental sustainability. Universities seem to return to the 'shape and size' formula, for example, reducing academic staff or even removing academic departments altogether will, in the short term, save salary costs but this will inevitably result in the reduction of the human capital and intellectual capital managed by the university. As knowledge producers, universities are expected to demonstrate leadership in research and technology, and support emerging research in areas such as divesting from fossil fuels.

The role and purpose of universities is often described as leaders to 'improve the world around us' and to act in the public interest and for the benefit of society in issues associated with climate change and social upliftment for future employment. However, the growing commercialisation of and competition between universities (Hopper, 2013) and the recent focus on fiscal and economic performance indicators have drawn criticism (Guthrie & Newman, 2007; Swartz, 2019). For most public universities, their constitution supports what most people think a university should achieve, namely, educate students and advance knowledge through research activity. Then, if their constitutions do not mention financial sustainability or any other accounting metric, why should the maintenance of financial capital be prioritised over the other capitals? Surely, environmental and intellectual capital should enjoy similar prominence?

Even though most universities present annual financial statements that report on their financial position and financial performance, these lag in sustainability reporting and other non-financial information (Adams, 2013; Nejati, et al, 2011). Of course, financial stability must be maintained for the longer term, otherwise universities would eventually be unable to employ the staff needed to educate and advance knowledge. According to Lozano (2011), when universities do report on sustainability, they tend to focus on the economic dimension, ignoring aspects such as political risk, equal employment of staff, disability assistance and mobility of students, to name a few (Jorge, et al, 2016). Sassen & Azizi (2018) found that universities' reporting includes environmental issues, with a lesser coverage of the social aspect. The main issue is what information should universities report on and why is this relevant?

The recent response of universities to the pandemic means that there is a debate to be explored around their governance, stewardship, sustainability, and accountability. It is time for the university sector to lead the change in this area and not respond to the private sector's lagging interest in the topic. For example, how can universities formally articulate their strategy as it relates to sustainability as knowledge producer that provides quality education, while also considering human resources, infrastructure maintenance and technological development? Given the emphasis on the ranking of universities (Shattock, 2016), who are the key stakeholders in the sustainability of a university? Management sustainability is an important quality improvement factor (Salvioni, et al, 2017), but to what extent should the compensation of top management of a university be comparable with the corporate CEO (Lucey, et al, 2022), if at all? Recently, universities have developed complex structures simulating those of corporates, with increased costs associated with maintaining these non-academic functions (Croucher & Woelert, 2021). However, is this model suitable for public universities? Should the university governing body adopt the behaviour and decision-making patterns of the private sector? For example, why do some universities appear to have a strategic goal to increase turnover? This has in turn driven decision-making to increase student numbers, with an increasing dependence on international recruitment and online offerings, but who benefits from this result?

For the sustainability and accountability of universities to be improved, an integrated reporting model that includes social, environmental and economic performance needs to be considered (Adams, 2013). Lozano, et al. (2013) call on universities to act as sustainability leaders and change drivers, including ensuring that sustainability goals such as net-zero pledges are responsibly incorporated in all sectors of the university. Discussions over the past 30 years mainly focused on corporate entities' social and environmental accounting and reporting (Mathews, 2008), with integrated reports reflecting on the organisations' performance against the formally communicated strategy and set outcomes. However, accounting research in the stewardship of universities towards sustainability is scarce. Do the same principles, shape and format of the corporate integrated report and capitals apply to universities? If so, what should be the capitals for universities acting in the public interest? Thus, what are the capitals of universities and how should these be measured and reported?

This special issue calls for research papers to consider new challenges in a range of topics associated with the **governance, accountability and sustainability of the global higher education sector**, including:

- What is the role of the university, given global challenges in the post-pandemic period?
- What are the stated missions and strategies of universities in different geographic jurisdictions?
- How are universities addressing global sustainability issues, including those associated with climate emergencies?
- What are the governance structures of universities? Who are the stakeholders and who is accountable and to whom?
- What are the main capitals of universities, and how should these be measured and reported?
- What are the value creation models used for universities? How diverse are they?
- What has been the wider impact of the pandemic and/or other global issues on universities and their value creation model?

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