

## **Management Control Tools for Sustainability: A Systematic Literature Review on the Sustainability Balanced Scorecard**

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Corporate sustainability broadly refers to “company’s activities - voluntary by definition - demonstrating the inclusion of social and environmental concerns in business operations and in interactions with stakeholders” (van Marrewjik and Werre, 2003, p. 107). It involves the creation of economic, social and environmental value over the long-term, through sustainability-oriented strategies, business models, investments and management tools.

Several authors have suggested that the appropriate use of performance measurement and management control systems can be effective in supporting strategy implementation and pushing organizations in the direction of sustainability objectives (Gond et al., 2012). This paper focuses on the sustainability balanced scorecard (SBSC), which is a management control tool that can play an important role in corporate sustainability and is attracting growing research interest (Hansen and Schaltegger, 2018). In its original form, the balanced scorecard supplements traditional financial performance measures with metrics from three additional perspectives - customer, internal process, and learning and growth - proposed as the drivers for creating long-term shareholder value (Kaplan and Norton, 1992). The SBSC combines the four perspectives of the balanced scorecard with the sustainability dimensions. There are three main possibilities to include sustainability within the BSC (Figge et al., 2002): to integrate environmental and social aspects within the four perspectives; to add a non-market perspective; to build a specific environmental and/or social scorecard.

This study aims to deepen the knowledge on the SBSC presenting its theoretical foundations, introducing possible approaches to its design and implementation, and underlining the determinants affecting its use. The research was conducted through a systematic literature review (Tranfield et al., 2003) considering 81 articles published in the period 2000-2019 in the management and accounting areas.

Results show that different authors propose an SBSC design based on a hierarchical structure with sustainability performance perspective at the top level, which includes environmental, social and economic goals (instead of prioritising financial performance). Then, SBSC implementation tends to be regarded as part of a wider process that starts with sustainability initiatives and moves through strategy

formulation, which is based on the mission and vision of the company. This finding underlines the necessity to integrate sustainability within the overall corporate strategy and recognize it as a source of competitive advantage. Further, a relevant determinant seems to be represented by company culture, which requires sustainability commitment at all business levels. The SBSC shows to be an adaptive tool, accounting for different company's characteristics and needs, as well as the performance measures that can drive sustainable strategies.

This study adds to the emerging literature on SBSC in management and accounting fields, providing an overview of current research, mapping research streams, and indicating potential future avenues. Further, results on SBSC design, implementation and determinants may contribute to both theory and managerial practices on sustainability performance measurement and management that must be recognized as a key element of the overall corporate strategy.

*Keywords:* sustainability, management control, sustainability balanced scorecard

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