

## SUSTAINABILITY REPORTING IN PUBLIC ORGANIZATIONS: A LITERATURE REVIEW OF RECENT DEVELOPMENTS

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### Abstract

*In the last decade, sustainability reporting has evolved considerably and has become an important element in the governance and accountability of public sector organizations. The increasing demand for transparency of economic, social, and environmental performance has encouraged public sector organizations to expand reporting beyond conventional financial information. This study aims to examine trends, challenges, and gaps in sustainability reporting practices in the public sector using a traditional literature review approach. Data were collected from 28 Scopus-indexed articles published in the period 2020–2024. The findings indicate that sustainability reporting in the public sector primarily serves symbolic legitimacy, lacking full integration into strategic frameworks. Various reporting formats are used, such as sustainability reports, integrated reports, and digital disclosures through websites or social media, but have not optimally supported substantive accountability. Commonly adopted frameworks, including the Global Reporting Initiative (GRI) and the Integrated Reporting Framework (IRF), are considered not fully aligned with the mandate and complexity of the public sector. The main challenges identified include limited technical capacity, lack of reporting integration in strategic decision-making, and low stakeholder participation. This study recommends the development of a more contextual, participatory, and adaptive reporting framework, accompanied by strengthening technical capacity and integrating reporting with institutional strategies. These findings are anticipated to inform the advancement of more substantive public sector sustainability reporting policies and practices that support the achievement of the Sustainable Development Goals (SDGs).*

**Keywords:** sustainability reporting, public organizations, literature review, sustainability disclosure, public sector

### INTRODUCTION

In the last decade, sustainability reporting has undergone significant development and become a crucial component in the governance and accountability of public sector organizations. The drive for transparency across economic, social, and environmental dimensions has prompted public institutions to broaden their reporting scope beyond traditional financial disclosures. This trend underscores rising public and stakeholder expectations for the public sector to play an active role in advancing the Sustainable Development Goals (SDGs), while also reinforcing legitimacy and social trust in public institutions (Fusco et al., 2024; Manes-Rossi et al., 2020).

Sustainability reporting in the public sector comes in various formats, including sustainability reports (SR), integrated reports (IR), and digital disclosure forms via websites and social media (Giacomini et al., 2021; Sun et al., 2024). Although the use of these formats is increasingly widespread, a number of studies show that the implementation of reporting is often symbolic and does not fully reflect the substantive value of sustainable accountability (Andrades et al., 2024; Ruiz-Lozano et al., 2022). Inequality in the quality and depth of disclosure is a major challenge, particularly when reporting is used solely as a response to external pressure or as a means of building institutional image.

Various frameworks, including the Global Reporting Initiative (GRI) and the International Integrated Reporting Framework (IRF), frequently serve as key references for sustainability reporting practices. However, the suitability of these frameworks to the unique characteristics of the public sector, which has complex social, educational and environmental mandates, is still debated (Bauer & Greiling, 2024a; Moggi, 2023). Several studies indicate that the current dominant reporting approach is still heavily influenced by private sector logic, and is therefore not fully able to accommodate institutional complexity and the diversity of geographic and organizational contexts in the public sector (Bryan, 2022; Ligorio et al., 2022).

In terms of geographical context, the literature in this field is still dominated by studies that focus on developed countries, such as Australia, Western Europe, and New Zealand. The focus of research is generally

on the higher education sector, local government, and state-owned enterprises (Manes-Rossi et al., 2020; Melles et al., 2022; Shan et al., 2022). In contrast, other public entities that have important roles in public welfare and environmental sustainability, such as public hospitals, judicial institutions, and water and environmental authorities, have received relatively little attention in the literature (Andrades et al., 2021; Fusco et al., 2024; Hossain et al., 2023).

Methodologically, the common approaches used in sustainability reporting studies in the public sector include content analysis, case studies, and descriptive analysis. However, these approaches are still limited in evaluating the impact of reporting on institutional change or decision-making in the public sector (Mohammed et al., 2023; Tirado-Valencia et al., 2021). Moreover, digital reporting remains in its nascent stages and is predominantly employed to secure legitimacy rather than to facilitate substantive interactive communication (An et al., 2020; Sun et al., 2024).

Based on this background, this study aims to investigate the latest trends in sustainability reporting among public sector organizations through a conventional literature review. Specifically, this study will identify trends, challenges, and gaps in the literature related to reporting formats, frameworks used, organizational contexts, and methodological approaches underlying previous studies. This approach allows for narrative and reflective exploration of scientific contributions in the field of sustainability reporting thematically and conceptually (Snyder, 2019). In addition, this study is expected to provide direction for the development of sustainability reporting that is more contextual, participatory, and has a real impact in supporting sustainable public sector governance.

## METHODS

A traditional literature review approach is utilized in this study to identify and analyze recent developments in sustainability reporting among public sector organizations. This approach was chosen because it provides researchers with the flexibility to explore the literature in a narrative and reflective manner, allowing for an in-depth understanding of conceptual and contextual issues without having to follow strict systematic procedures as in a systematic review (Bauer & Greiling, 2024; Martin-Sardesai et al., 2024). This approach is considered appropriate for the topic of sustainability reporting in the public sector which has a complex, multidimensional, and cross-sectoral character.

The data for this study were sourced from the Scopus database, which is widely recognized as the leading scientific citation index for reputable academic publications (Elsevier, 2023). The search was conducted using a combination of Boolean logic-based keywords, namely (“sustainability reporting” OR “non-financial reporting”) AND (“public organizations” OR “public sector”). The selection of these keywords aims to cover a variety of terms used in the sustainability reporting literature, as well as cover various contexts of public sector organizations. All articles obtained from the initial search were then filtered using certain inclusion criteria, namely articles published between 2020 and 2024, published in peer-reviewed scientific journals, and explicitly discussing sustainability reporting practices or non-financial reporting in public sector organizations.

The organizations covered in this study include various forms of public entities, including central government institutions, local governments, state-owned enterprises (SOEs), state universities, general hospitals, and other public service institutions managed or funded by the state. Articles discussing private sector organizations, independent non-profit organizations, or non-governmental organizations were excluded because they were not relevant to the focus of the study. The selection process was carried out purposively by considering the direct relevance of the article's content to the theme of public sector sustainability reporting, which was determined through a review of the title, abstract, and main content of the article.

Articles obtained from the initial search results were selected based on inclusion criteria through a review of the title, abstract, and main content. A total of 28 articles were eligible for further analysis using a descriptive-qualitative approach. The analysis process was carried out through a synthesis of key findings and thematic groupings covering reporting trends, implementation challenges, frameworks used, and their implications for public sector governance and accountability. Additional classifications were made based on the type of organization, geographic region, and methodological approach to enrich the context of the analysis.

The articles analyzed come from various reputable international journals, with a predominance of publications in *Meditari Accountancy Research* and *Sustainability Accounting, Management and Policy Journal*. This diversity of sources reflects the breadth of academic attention to the issue of public sector sustainability reporting in the last five years, while strengthening the basis of analysis in this study. The complete distribution of articles is presented in Table 1 below.

**Table 1. Distribution of Articles Based on Publication Journals (2020-2024)**

No.	Journal Name	Number of Articles
1	Meditari Accountancy Research	5
2	Sustainability Accounting, Management and Policy Journal	5
3	Journal of Public Budgeting, Accounting & Financial Management	2
4	International Journal of Sustainability in Higher Education	2
5	Journal of Cleaner Production	2
6	Journal of Financial Reporting and Accounting	1
7	The British Accounting Review	1
8	Journal of Environmental Management	1
9	Journal of Innovation & Knowledge	1
10	International Journal of Public Sector Management	1
11	Business Ethics, Environment & Responsibility	1
12	Financial Accountability & Management	1
13	Social Responsibility Journal	1
14	Utilities Policy	1
15	Qualitative Research in Accounting & Management	1
16	Sustainable Development	1
17	Accounting, Auditing & Accountability Journal	1
	<b>Total</b>	<b>28</b>

Source: Scopus search results, processed by researchers (2025)

## RESULTS AND DISCUSSIONS

Literature analysis shows that the format of sustainability reporting in the public sector has evolved significantly in the last five years. Public sector organizations utilize various forms of reporting, ranging from conventional sustainability reports, integrated reports, to digital disclosures through websites and social media. Studies such as Sun et al. (2024) And An et al. (2020) found that online reporting by public universities tends to be symbolic in nature with an orientation towards external legitimacy, although its potential to build substantive communication is quite large. Meanwhile, Manes-Rossi et al. (2020) And Tirado-Valencia et al. (2021) confirms that integrated reporting practices in European SOEs are increasing along with demands for transparency and governance. In the higher education sector, Melles et al. (2022) And Hsiao et al. (2024) shows that formal standards remain inconsistent across institutions, and that institutional pressures shape both the content and frequency of reporting.

In general, this development indicates that sustainability reporting in the public sector is still dominated by external legitimacy motives and has not been fully integrated with institutional strategies or optimally supports social mandates. Various reporting frameworks such as the Global Reporting Initiative (GRI) and the Integrated Reporting Framework (IRF) are indeed widely used as references, but are not fully in accordance with the characteristics of the public sector. Moggi (2023) highlighted the GRI's failure to adequately address the distinct requirements of higher education institutions, whereas Manes-Rossi et al. (2020) the importance of reporting standards that are more aligned with the achievement of the Sustainable Development Goals (SDGs) and public service mandates. In the context of developing countries, Erin et al. (2024) as well as Al-Qudah & Houcine (2024) highlights the need for a framework that is adaptive to local conditions and institutional capabilities. Studies in the judicial sector Fusco et al. (2024) also emphasized the importance of focusing on social accountability, not just financial.

Various challenges still hamper the implementation of sustainability reporting in the public sector, such as limited data collection systems, low technical capacity, lack of reporting integration in strategic decision-making, and limited stakeholder participation. Williams & Lodhia (2021) noted that integrated thinking in Australian local governments is still low because the adoption of reporting is more externally motivated. However, there are best practices that can be used as references, such as stakeholder engagement in the judicial sector which increases accountability. Fusco et al. (2024) investigated the role of social media in facilitating environmental reporting at the local government (Giacomini et al., 2021; Nicolò et al., 2023). Top management support and alignment of reporting with organizational strategy have also proven critical to generating real added value (Mohammed et al., 2023). The following table summarizes thematic findings from different types of public sector organizations.

**Table 2. Thematic Summary of Recent Literature (2020–2024)**

No	Types of Organizations	Thematic Findings
1	Higher Education Institutions (HEIs)	Reporting is still symbolic; main focus on social and economic aspects; low institutionalization of sustainability practices.
2	State-Owned Enterprises (SOEs)	Increased use of IR and GRI; reporting tends to be done for external legitimacy; materiality process is still limited.
3	Local government	Adoption of IR and online reporting increases; SDG-related reporting remains reactive; variation in responses to institutional pressures.
4	General Hospital	Reporting practices are not yet institutionalized; primary objectives are symbolic; low stakeholder engagement.
5	Judicial Sector	Low adoption of sustainability reporting; challenges arise from concerns over independence and lack of understanding of the benefits of SR.
6	Across Public Organizations	Inconsistency of reporting framework with public functions; need for local adaptation and increased stakeholder participation.

Source: Results of literature analysis, processed by researchers (2025).

These findings underscore the importance of policies that support the development of reporting frameworks that are in line with the mandate and characteristics of the public sector. Strengthening technical capacity, developing digital reporting infrastructure, increasing stakeholder engagement, and integrating reporting into institutional strategies are important agendas to ensure that sustainability reporting is not merely symbolic, but also supports transparency, accountability, and the achievement of sustainable development goals.

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