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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 & Laihonon, 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.

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 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).

**Table 3.** Institutional logics identified from the data.

Institutional logic	Market logic	Managerial logic	Bureaucratic 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 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 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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