Editorial Volume 18 Issue 5: Special Issue on Sustainable Transformation Towards Digitalization

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This Special Issue of the Australasian Accounting Business and Finance Journal (AABFJ) arises from the Sustainable Transformation towards Digitalization of the 7th International Conference on Business, Economics, Social Sciences, and Humanities (ICOBEST 2024). This conference is hosted by Universitas Komputer Indonesia, Bandung, Indonesia. The conference revolves around the theme of Sustainable Transformation towards Digitalization based on Environmental, Social, and Governance (ESG) principles. ESG refers to a set of guidelines used to evaluate and manage businesses' performance concerning the environment, society, and corporate governance. It serves as a means of assessing companies' responsibility towards economic advancement, environmental preservation, and social welfare. Therefore, this special issue sheds light on utilizing digitalization as a tool for advancing sustainability and responsible business practices, aligning with research by Inta Budi Setya Nusa et al., (2024), which suggests the utilization of AI and big data technologies in accounting. This research offers valuable insights into the profession of accounting educators, enabling teachers to develop better curricula and equip students with the necessary skills to thrive in an increasingly digitally interconnected workplace.

Accounting professionals worldwide recognise the importance of big data in accounting and finance. According to Management Accountants [IMA], accounting and finance professionals must adapt to new technologies such as big data, cloud, mobile, and social platforms, as well as cybercrime, digital service delivery, and AI. According to the Chartered Global Management Accountant [CGMA], big data poses substantial problems for the future of accounting and finance. Accountants who rely on financial reports may lose their relevance if they do not adopt new technologies (Chartered Institute of Management Accountants [CIMA], In line with this, Ely Suhayati et al. (2024) stated that auditors must be skilled and diligent in their work, as public accountants are trusted by users of financial reports and audited services. This is critical for an auditor to use appropriate professional care in their audit work. The research explores the increasing public concern about auditor performance due to role conflicts and proper professional care during audits. Their study aims to establish the extent to which role conflicts and adequate professional care affect

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auditor performance. There is a close relationship between auditor performance and accounting educators with sustainability accounting. Sustainability accounting and reporting (SAR) is a methodology for establishing sustainability variables using the triple bottom line model (TBLM), measuring them, and reporting their current status to the public.

Global Reporting Initiatives established the SAR framework, which includes universal disclosure criteria and management methodologies for TBLM variables. Reliable and valid measurement methodologies for TBLM variables are a difficulty for industries. Industry 4.0 leverages information and communication technology and IP-enabled industrial cyberphysical systems (IIoT) to create a value chain for real-time data sharing on variables under monitoring and control.

IIoT is urgently needed in the area of accounting to improve the accountants' professionalism and adjust to the digitalized world. Puspitawati et al. (2024) delve into the importance of high-quality data in strategic decision-making amid globalization, emphasizing the role of management accounting information systems. They aim to identify the factors affecting the effectiveness of these systems, concluding that departmentalization and expertise significantly impact their success. This evaluation approach recognizes the importance of social elements in ensuring a sustainable supply chain. The evaluation covers workplace conditions, worker safeguards, human rights, equality of opportunity, and community participation. The system analyzes the social impact of supply chain activities by merging digital systems with key social performance criteria. The company adheres to industry standards for measuring and evaluating social sustainability, including the Global Reporting Initiative's Social Sustainability Standards.

The governance components of sustainability are critical to the evaluation process. The system evaluates supply chain structures, rules, and processes to promote accountability, transparency, and ethical behaviour. The approach takes into account various criteria, including supply chain transparency, business ethics, anti-corruption measures, and stakeholder participation. The system evaluates supply chain governance methods based on key performance indicators to ensure sustainability. The evaluation system's compliance with applicable standards and frameworks ensures the consistency, comparability, and reliability of sustainability measures.

Sustainable development is a deliberate endeavour to establish an inclusive, sustainable, and resilient future for people and the earth, including three essential parts. (i) Economic development, (ii) Social inclusion, and (iii) Environmental protection. Sustainable finance refers to financial services integrating environmental, social, and governance aspects into business or investment decisions to benefit clients and society as a whole. In the banking service, Siti Kurnia Rahayu et al. (2024) analyze the development patterns of Islamic banking and propose a theoretical framework to establish an integrated, sustainable, and responsible accounting and taxation system based on good governance and Maqasid Sharia principles. To achieve sustainability, Islamic financial institutions must support businesses that align with Sharia principles and benefit the environment.

Sri Dewi Anggadini et al. (2024) investigate the impact of management ownership and independent commissioners on the financial performance of transportation businesses listed on the Indonesia Stock Exchange. Their findings contribute to understanding factors that enhance organizational financial performance aligned with environmental, social, and governance (ESG) principles. Managerial ownership has a positive impact on the financial performance of transportation companies listed on the Indonesian Stock Exchange from 2018 to 2022. The observed association implies that increasing managerial ownership correlates with improved financial performance within organizations, whereas decreasing ownership correlates with a deterioration in financial performance. Significant decisions made by firm management determine the level of managerial ownership. Similarly, independent commissioners are proven to have a significant influence on the financial success of transportation companies listed on the Indonesia Stock Exchange. A positive relationship is found between the proportion of independent commissioners and a company's financial performance, indicating that higher proportions of independent commissioners correlate with improved financial performance and lower proportions with poor financial performance. Furthermore, the existence of independent commissioners has an impact on a company's total board of commissioners makeup. The primary purpose of this research is to have a better understanding of how managerial ownership and independent commissioners affect financial performance. These findings are expected to provide valuable insights for various stakeholders, including investors, prospective investors, and regulatory bodies in the capital markets, on the relevance of financial performance in annual reports and compliance with Environmental, Social, and Governance (ESG) principles.

This Special Issue aims to improve the practical contributions of academic research by practising sustainability in the Digital Age. In line with the conference theme about Environmental, Social, and Governance (ESG), a concept increasingly used as a 'standard' for developed countries by prioritizing sustainable development, investment, and business activities. Environmental, Social, and Governance (ESG) concepts are becoming more widely acknowledged as crucial standards for moral business behaviour in today's globalized society.

In the field of business behaviour, retailers and customers were unaware of the sustainability of product and consumption behaviour, which is defined as conscious and deliberate decisions based on moral beliefs and values. The United Nations Global Compact study "Who Cares Wins: Connecting Financial Markets to a Changing World" introduced the concept of Environmental Social Governance (ESG). ESG can also be rated as a comprehensive evaluation of a company's performance based on product quality, management, and corporate behaviour in environmental, social, and governance areas. Producers' ESG non-financial investment activities demonstrate their commitment to public interest while seeking commercial rewards. Implementing an ESG evaluation system in the retail industry is crucial for sustainable marketing strategy formulation. ESG serves as a guiding principle for socially responsible practices and technology innovation, impacting consumer purchasing behaviour significantly. Muhammad Iffan et al. (2024) investigate consumer purchasing behaviour through the impact of E-Service Quality on E-Commerce consumers' intention to repurchase, mediated by Customer Satisfaction and Customer Trust. They highlight the importance of market share acquisition and growth for e-commerce businesses in today's competitive landscape. In line with this, Eti Kusmiati et al. (2024) examine PT Lembaga Keuangan Mikro's adoption of Integrated Micro Banking System technology using the Theory Acceptance Model. They find that factors such as perceived usefulness, perceived ease of use, perceived trust, and attitude influence users' adoption of this technology.

Digital transformation involves transforming a company's activities, processes, competencies, and models to fully utilize digital technologies for increased competitiveness, value creation, and growth in the digital economy. Digital transformation leads to the creation of new demands, markets, and businesses. Embedded digital technologies are often viewed as tools for collecting, storing, and analysing data to better understand consumer behaviour and preferences. In terms of education, digitalization has facilitated cross-cultural connections in higher education institutions using digital tools such as web conferencing, e-mails, and video calling. The use of digital media and technology has improved cross-cultural communication, knowledge sharing, and relationship building. Information Communication Technology technologies can help preserve culture, integrate diversity, and improve processes. The use of digital media has enhanced relationship-building, knowledge-sharing, and cross-cultural communication. Information and communication technology has the potential to improve processes, integrate diversity, and protect culture.

Numerous higher education institutions (HEIs) have adopted the Smart University (SU) tagline as a strategy for cultivating a positive perception and maintaining a competitive position in the digital era. A smart university is a concept that encompasses the entire evolution of all educational operations. SU is the integration of information and communication technology with faculty experience to improve the quality of educational processes and outcomes in many parts of university operations, such as commercial activities, research, and other university operations. Smart education refers to the advancement of technologies such as smart boards, smart screens, and wireless connectivity that can be accessed from anywhere. Smart Campus is a relatively new concept that allows educational institutions to integrate smart technology with infrastructure to improve help. Smart University idea intends to provide exceptional service dynamically and proactively to students, instructors, and other university staff by using the Internet of Things. Senny Luckyardi et al. (2024) address the need for innovative business models in the higher education industry amid ongoing digital transformations. Their study focuses on enhancing student satisfaction at private universities in West Java, Indonesia, through the creation of a Smart University Image (SUI) as an innovative economic strategy.

The Digital Age does an excellent job of addressing ESG issues. The world has a large population with many geographical locations. Digitalization has made us all more linked. As the world enters a new phase of digitization, the majority of our everyday activities rely heavily on cutting-edge computer and digital technologies. This connection facilitates cultural communication and exchange, which has made us culturally and socially wealthy. The other aspect of ESG that has become crucial for corporations is sustainability. Business sustainability refers to an organization's ability to balance short-term financial needs with meeting consumer needs. Sustainability in business is regarded as a voluntary activity. This approach provides cash for small and medium enterprises while also addressing environmental and societal challenges. Sustainability involves balancing economic, social, and environmental benefits when developing products and services. Windi Novianti et al. (2024) suggest tactics to optimize MSMEs' contributions to the market through the utilization of Intelligent Financial Technology. The research also examines the link between MSME performance in West Java, Indonesia, and financial knowledge competency, with a focus on the mediating role of digital marketing and intelligent financial technology. The study of Angky Febriansyah (2024) informs government initiatives to increase financial inclusion and improve MSME performance. Improved MSMEs' access to financial institutions in Indonesia is predicted to result in greater sales growth, client expansion, and profitability, all of which will benefit the overall economy. To stay ahead of the green business trend, MSMEs should focus on developing green products and services.

MSME should involve technical skills and a significant investment to modernize operations, buy advanced machinery, and hire skilled staff. This demonstrates that while MSMEs may prioritize their own well-being, they still have a responsibility to protect the environment.

Social and environmental performance in relation has a direct impact on business profits; as a result, the ESG idea extends business strategy to social ideals. Environmental issues can be covered by digital gadgets and platforms that have a positive impact on the environment and reduce carbon footprints. Sustainable transformation is committed to digital operations, including the transition from paper to e-publications. Reports and data are accessible via iPad, desktop, and mobile devices. In this manner, we saved both paper and money. Online operations contribute to environmental sustainability by reducing the need for physical resources. It is expected that adopting digital can save 1% and promote a healthier environment.

As a result of regulatory mandates and voluntary disclosure, a growing number of companies have published ESG data over the past decade concerning governance. This was partially in response to a growing interest from investors to understand how companies were addressing challenges that could potentially affect business performance. Furthermore, an increasing body of study indicates that environmental, social, and governance (ESG) issues have economically meaningful effects as they are linked to stock returns and economic conditions. However, from the standpoint of management, this is effective because managerial attention is a finite resource. From the standpoint of an investor, this can be advantageous since it is very improbable that all environmental, social, and governance (ESG) issues and data are pertinent to investments. Given this context, there was a significant amount of interest generated around the concepts of innovation, technology, company strategy, and organizational behaviour to address the issue. Stakeholders, including customers, investors, governments, and regulators, have demonstrated a growing interest in environmental, social, and governance (ESG) matters.

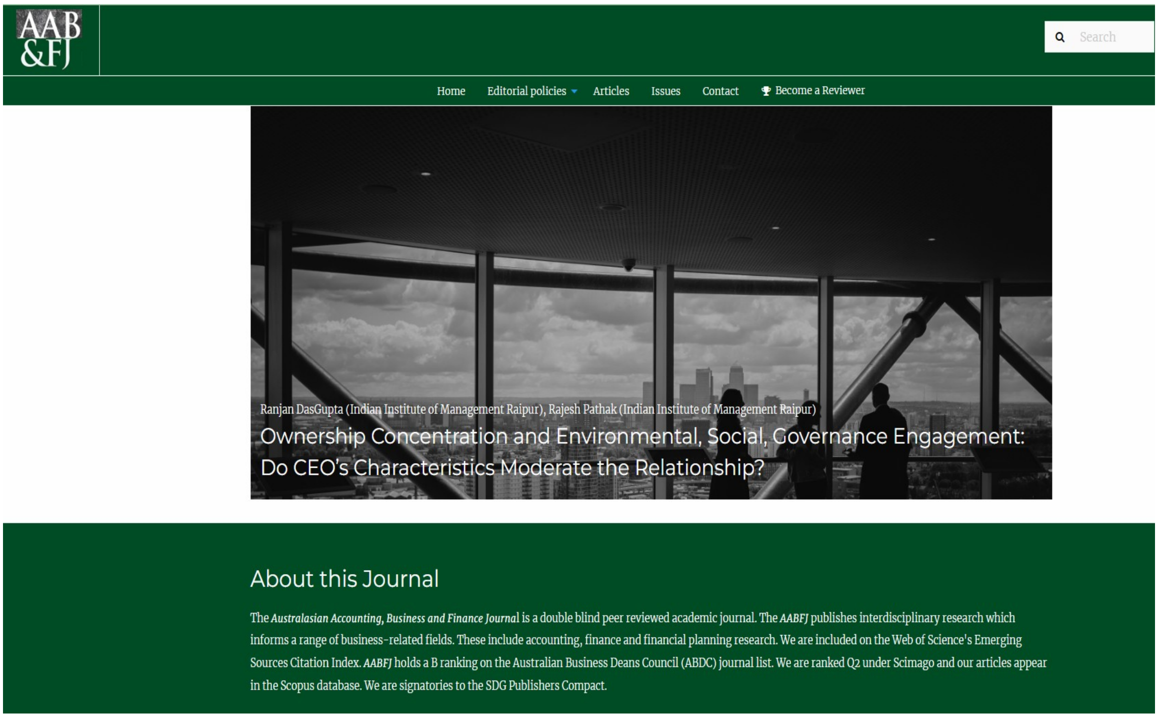
This Special Issue carries on the tradition of AABFJ in informing Sustainable Development Goals (SDGs). AABFJ publishes many articles that can be linked to SDGs. Under such circumstances, the SDGs can guide the nation toward sustainable development in addition to resource availability, resource efficiency, shared prosperity, and a safe working environment. To aid this goal, ICOBEST aims to facilitate the exchange of knowledge and experiences about ESG practices that have become an inseparable component associated with businesses' sustainable growth plans aimed at prolonging the existence of firms establishing a healthy relationship with society and gaining the trust of investors. The rise in ESG's global prominence recently highlights the importance of investigating the impact of ESG on corporate performance. Thus, encouraging discussions on the latest innovations, emerging trends, and practical challenges in business, economics, social sciences, and humanities related to this recent issue of ESG is crucial.

AABFJ has recently signed on to the SDGs Publishers Compact and thus seeks to actively promote and acquire content that advocates SDG themes such as sustainability, equality, justice, and environmental issues. We hope that submissions to AABFJ in future will link their research to SDGs and highlight SDG-related themes.

This special issue of AABFJ follows previous articles published in AABFJ with an ESG-linked theme. Recent examples of articles with this ESG link published in AABFJ include Panda, Chari, and Smark (2024); Perera and Jubb (2024); Dash, and Sethi (2024); Dwibedi, Pahi and Sahu (2024); Neethu and Arun, (2024); Sharma, Bamba, Verma and Verma, (2024); Mathath and Kumar (2024); and Pandey and Sharma (2024). To those authors who have enquired about whether AABFJ is interested in ESG articles, yes.

As a final note for AABFJ, some of our readers will have noticed that we have moved our homepage to a new site.

Janeway has taken over as our new open-source publishing platform. To read more about Janeway, please go to https://janeway.systems/ Janeway is linked to the Open Library of Humanities, UK. AABFJ's new homepage can be found at: https://www.uowoajournals.org/aabfj/



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