

Asian Journal of Business and Accounting

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To be a top-tier and well-cited business and accounting journal in Asia

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An Academic journal that aims to advance knowledge in the business and accounting disciplines, to narrow the gap between theory and practice, and to set direction for policy initiatives in Asia

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Editors' Notes

The *Asian Journal of Business and Accounting* (AJBA) is proudly to present the first issue of volume 15, which includes various selection of papers written by scholars from Malaysia, Indonesia, Vietnam, Hong Kong and Qatar. These papers discuss an array of challenges faced by businesses in the Asian context, due to the global social and economic development.

In view of the United Nations General Assembly movement towards sustainable development 2030 agenda, we feature several papers that are related to sustainable transition. Our first paper by Nor-Ahmad, Amran, Siti Nabiha and Abdul Rahman explores how institutional pressures and internal issues have driven the palm oil sector to engage in sustainability practices. Through a case study methodology, they find that NGOs, competitors and multinational buyers form a chain of pressures on the case company to embrace on this practice. In the paper following this, Lam, Hung and Choi look into how socio-political and government control are impacting the relationship between corporate philanthropy and firm performance, based on data collected from the Hong Kong Stock Exchange. In an era where financial sustainability is fundamental, the capital structure of a firm plays a crucial role. As the top-level managers, Chief Executive Officers (CEO) have powers to influence the capital structure decisions. Taking this into account, our third paper, which focus on Sri Lanka setting, explores the CEO characteristics on the capital structure. The results suggests that male CEOs tend to employ more debt due to their aggressive nature and overconfidence. The paper also provides evidence that as the CEOs age, they tend to have more experience and better risk management capabilities, which lead to a proper financing decisions.

The global financial crisis has had a huge impact on business sustainability as well. With information symmetry being one of the causes, firms are pressured to supplement their standard financial accounting with risk reporting. Stakeholders appreciate firms' disclosure on the risks faced, as it allows them to make assessment better. Reflecting on this issue, the third paper by Saidi examines the determinants of risk disclosure practices under Basel 3, Pillar 3 (revised 2016 version) requirements of the top 50 listed banks in the Gulf Countries region (GCC). While GCC major banks are expected to comply with risk disclosure regulations, the practice is not consistent,

vague and elusive. The Basel III risk reporting practice is also found to be influenced by size, leverage, cross listing, and government ownership. The importance of risk disclosure is also highlighted in the paper by Sulistyawati and Suryani. Focusing on the Indonesian manufacturing context, they suggest that a firm becomes more efficient when it discloses more risk, as it demonstrates management's commitment to resolving problems. There has also been much discussion on the importance of accounting information systems. In the next paper, Azhar, Mohamad and Allah Pitchay demonstrate that to align with Industrial Revolution (IR 4.0), subscribing to a set of accounting systems and SCM practices are pertinent. Focusing on a Japanese firm's subsidiary as a case company, they indicate that managers may utilise accounting information systems to integrate supply chain activities and collaborate with supply chain partners.

The subsequent lock down and social distancing restrictions due to the Covid-19 outbreak recently has also led to the importance of digital technologies usage. In fact, the rapid development of technologies has also been supporting sustainability by way of virtual communities. Using Kuwait's SMEs as the samples, Mohd Isa and Alenezi observed that the use of e-commerce has provided ample opportunities for SMEs, not only during the covid-19 outbreak, but also after the restrictions cease due to the momentum of online buying habits among customers. Within the Kuwait context, SMEs are very much driven by relative advantage and competitive pressure, implying that SMEs' owners or managers who have overall positive perceptions of the benefits of e-commerce are likely to have a positive intention towards its adoption. They are also more inclined to adopt e-commerce when they are aware that their competitors are becoming innovative. On a similar note, many firms today, have also moved to online advertising, such as Facebook. In the paper following this, Bang, Yen, Tin and Son disclose the importance of personalisation, entertainment, interactivity, informativeness, and credibility in forming positive attitudes of customers towards online advertising in Vietnam.

To sustain and promote growth, business communities have a growing interests on research and development activity. It has been considered as one of the organisational resources that would facilitate firms in gaining competitive advantage and develop international presence. In line with this, the next paper by Vo, Binh and Trang evaluates the role of research and development (R&D) expense in export intensity of Vietnamese enterprises. The importance of

sustainability can also be demonstrated from the social perspective. Looking at the contemporary workplace environment, it appears that firms need to promote a workplace culture that support human capital. Based on the South Australian SMEs, Khan, Kasuma and Ali emphasise the importance of employee welfare, building good relationships with the employees, and practicing good human resource management in order to retain existing employees. They highlight that human capital is an important organisational asset, and without valuable employees, firms cannot function effectively.

To bring this note to a conclusion, we hereby would like to take this opportunity to thank the Malaysian Accountancy Research and Education Foundation as well as the Malaysian Ministry of Higher Education for financial support thus far. We also wish to express our appreciation to the members of the editorial and advisory boards as well as the reviewers for their time and effort put into AJBA. We also hope that ideas and recommendations discussed in this issue could serve as important guidelines for firms, especially in a turbulent environment. We would also like to take this opportunity to welcome the new Deputy Chief Editors, Dr. Noor Sharoja Sapiei and Dr. Yeong Wai Chung on board.

Happy reading!

Che Ruhana Isa
Chief Editor

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