

Editorial Notes

The *Asian Journal of Business and Accounting* (AJBA) is proud to present you with its 2023 issue of volume 16(2). From its first debut in 2008 AJBA has strived to contribute to the academic discourse surrounding the accounting and business issues of Asia and the Pacific region. Throughout the years, AJBA has seen a steady increase in readership, article submissions and citations to our published articles. AJBA is indexed in the Emerging Sources Citation Index, Scopus, ERA, Asian Citation Index and MyCite. With a continuous and enhanced reputation that broadens visibility in the academic community, AJBA will soon succeed in its endeavour to be indexed in the Web of Science. In this current journal issue, we present a diverse selection of inspiring and interesting articles from both domestic and international scholars.

The first article investigates the volatility characteristics and risk-return trade-off of Islamic and conventional indexes in the Malaysian market by examining the daily data of the period from August 2007 to December 2022, divided into four distinct periods: the full sample, the period during and after the 2007-08 financial crisis, and the period during the COVID-19 pandemic. The authors, Foo Siong Min, Nazrul Hisyam Ab Razak, Fakarudin Kamarudin, and Nadisah Zakaria, suggests that both Islamic and conventional indexes in the Malaysian market demonstrate a memory effect, emphasising the persistence of market volatility through the influence of past volatility. Additionally, historical data, represented by lagged values, significantly shape volatility, while negative shocks have an immediate and pronounced impact compared to positive shocks, providing valuable insights for investors and risk management. Interestingly, the findings also found that during the COVID-19 crisis, the conventional index showed no leverage effect, and the Islamic index lacked safe haven characteristics, making this crisis unique in the Malaysian financial context.

In the subsequent article, Dewi Ratih, Mamduh M. Hanafi, Bowo Setiyono, and I Wayan Nuka Lantara examines the background of selecting the equity offering mechanism between rights issues and private placements when facing asymmetric information and overvalued prices. Their study employed the concept of information asymmetry and focuses on analysing market timing data about stock offering transactions in Indonesia from 2000 to 2020. The study

concludes that companies that issue more shares than the overpriced stock tend to exhibit a more excellent abnormal return value in the context of rights issues. The sales volume indicates the company's prospects derived from private information obtained during the offering. The third article by Kashif Arif, Che Ruhana Isa and Mohd Zulkhairi Mustapha aims to identify the impact of Chief Executive Officer (CEO) power dimensions on firm performance. A panel data of 110 Pakistani firms listed on the Pakistan Stock Exchange for the period of 12 years (2008-2019) was analysed using the GMM approach. Their study suggests that CEOs with considerable structural, ownership, prestige, and expert power tend to exhibit superior performance, as these factors are positively correlated with firm performance. Conversely, CEO family power appears to have no discernible impact on firm performance.

Integrated reporting (IR) is an adaptive practice of voluntary corporate reporting in today's corporate world. Understanding the external influences, internal mechanisms, and practical applications of IR thereby increases the possibility that IR approach will be adopted by the corporate organisations. Recognising a gap, the fourth article by Nawarathna Liyanage Erandi Abeywardana, S.M. Ferdous Azam, Kevin Low Lock Teng focuses on why and how IR adopts/diffuses in public listed companies (PLC). Qualitative study was conducted through semi-structured interviews with 15 officers responsible for the integrated reporting practices of PLC in Sri Lanka. Their study found that relative advantage, compatibility, complexity, trialability, and observability affect the adoption of IR practices. Despite the companies' duration of practice, the constellations of structures, cultures, and reporting practices with which integrated reporting is managed change within the companies. The study also exhibits the success stories of IR in the context of Sri Lanka.

International investments made in non-integrated economies provide benefits of portfolio diversification, but investment made in integrated economies may lead to oscillations due to volatility spillover. Therefore, the knowledge of market linkage of an economy is imperative for investors, as well as regulators. In this context, the fifth article by Nikhil Bhardwaj, Nishi Sharma and Anupreet Kaur Mavi aims to investigate the financial integration of the Indian stock market with China, Hong Kong, Japan, UK and USA. Based on closing daily indices of leading stock markets of respective countries over a period of 20 years from 2002 to 2022, their study reveals a number of interesting findings. The results show cointegration

among the selected markets, which indicates the possibility of convergence towards market equilibrium in the long run. The stock markets of India and USA were observed to have a bidirectional causal relationship indicating lesser chances of benefits from international portfolio diversification. The results also reveal the sensitivity of the Indian stock market to innovations in the UK and USA and has a significant contribution to the volatility of other stock markets, except the Chinese stock market.

Lack of financial accountability often leads to corruption; thus, it is important to improve financial accountability. The sixth article by Sukhemi and Marti Widya Sari studied the impact of employee competence and the usage of information technology on financial accountability and found that these two factors have a significant positive effect on financial accountability. Furthermore, a study on the moderating effects of the success of information systems to the impact of information technology towards financial accountability found that the moderating effect is not significant. Article number seven by Indra Listyarti, Tatik Suryani and Faza Faikar Cordova studied the role of Social Media Marketing Activities (SMMA) in improving customer satisfaction and co-creation of local brands through the Schematic Perspective Theory. The study found that SMMA has a significant positive effect towards customer satisfaction and co-creation, by improving brand awareness and brand image. The study also found that customer satisfaction stimulates customer co-creation. Next, Yeni Rafita Sihombing and Jaka Permana studied the factors that influences Indonesians' intentions to use Tokopedia, and found that mobility, innovativeness, perceived utility and perceived ease of use are significant factors that influences the use of Tokopedia, with perceived utility having the biggest influence, while perceived ease of use has the least influence.

The ninth article by Seyed Masoud Mirbabaei, Bahareh Ahmadinejad, Maryan Hajmalek, Mohsen Shojaeifard, Elias Laalkazemian and Aldolhossein Karampour who studied the impact of social media marketing activities to customer satisfaction, mediated with brand equity and perceived value. The study found that the entertainment, interaction, trendiness, customisation and perceived risk aspects of marketing activities have a significant positive effect towards customer satisfaction, mediated by brand image, brand awareness, perceived value and social identity. Finally, Wan Rasyidah Wan Nawang, Syadiyah Abdul Shukor,

Amalina Mursidi and Anita Ismail studied the factors that influences the intention to purchase halal chocolate among Malaysian Muslims through an extension of the theory of planned behaviour. The study found that attitude, subjective norms, and religiosity has a significant effect towards purchase intention, while perceived behavioural control, halal knowledge and habit do not.

On a final note, 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 say Thank You to the members of the editorial and advisory boards as well as the reviewers for their time and efforts put into AJBA.

Thank you, and happy reading!

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