

ICTMS 2024



INNOVATION & GOVERNANCE FOR SUSTAINABILITY

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Perakaunan



INTERNATIONAL CONFERENCE ON TECHNOLOGY, MANAGEMENT AND SUSTAINABILITY

PROCEEDINGS

27TH AUGUST 2024 – 28TH AUGUST
(IN-PERSON & VIRTUAL CONFERENCE)
Delft University of Technology, Netherlands

CONFERENCE PROCEEDING BOOKS

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HIGHLIGHTS OF ICTMS 2024

The International Conference on Technology, Management, and Sustainability (ICTMS 2024) was successfully held from August 27th to 28th, 2024, at Delft University of Technology, Netherlands, as a hybrid event with both in-person and virtual participation. With the theme 'Innovation & Governance for Sustainability', the conference aimed to address pressing global challenges in technology, management, and sustainability. It provided a platform for academics, professionals, and industry experts to discuss innovative approaches and strategies to promote sustainable development. The virtual session on August 28th extended the opportunity for global participants to engage in the dialogue.

A variety of research papers were presented, showcasing key insights aligned with the conference themes. One of the papers on green supply chain management analysed sustainable practices in Indonesian companies, highlighting how green supply chains can positively impact the environment and improve corporate sustainability performance. Another paper explored sustainable entrepreneurship, emphasizing the importance of sustainability competencies and green accounting in universities. This research demonstrated how educational institutions can play a vital role in fostering a sustainability mindset among future entrepreneurs, reflecting the conference's focus on sustainability-driven innovation.

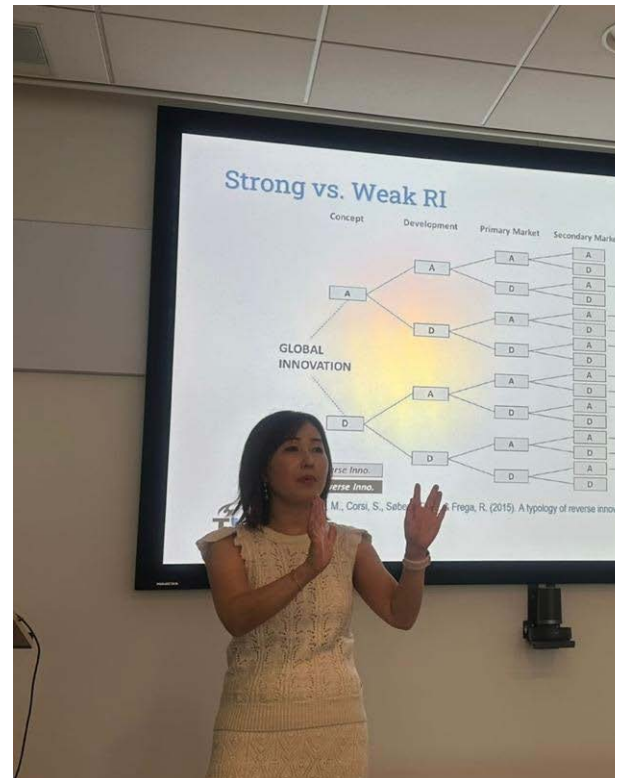
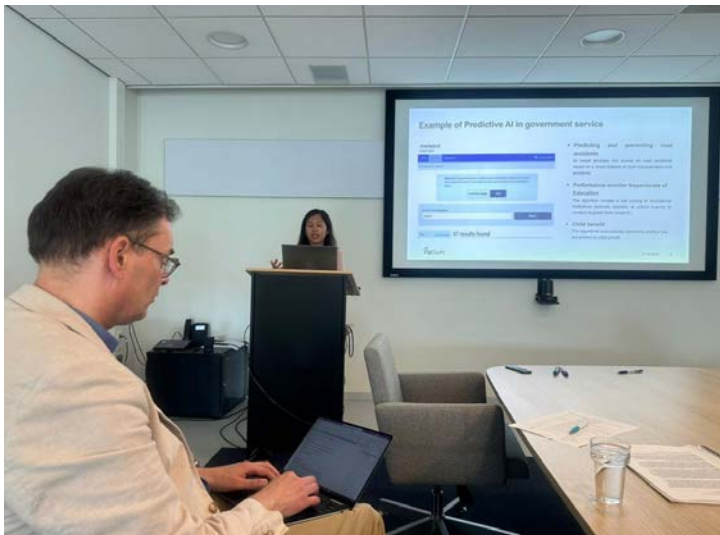
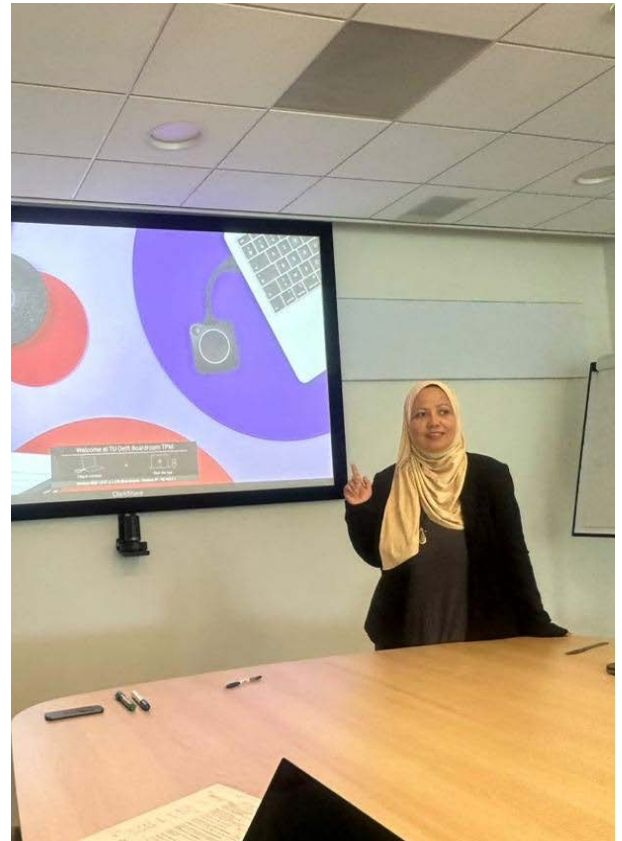
The conference also featured papers related to the financial and economic aspects of sustainability. A comparative study on Shariah equity markets provided insights into how macroeconomic factors influence the efficiency of Islamic finance markets, which is crucial for investors and policymakers aiming to balance economic growth with sustainability principles. Another paper examined the effect of tax justice and morale on taxpayer compliance, focusing on the role of trust in improving tax compliance, which contributes to the broader discussion on ethical governance and economic sustainability.

Further contributions included research on corporate integrity practices in Malaysian statutory bodies, demonstrating the importance of ethical governance in enhancing organizational performance and accountability. This research was particularly relevant to the theme of sustainable management, as it underscored how integrity and transparency are essential for long-term sustainability. Additionally, papers discussing innovation and entrepreneurship in the culinary business and the impact of digital transformation on sustainability reporting offered practical insights into how businesses can innovate while adhering to sustainable practices.

In conclusion, ICTMS 2024 provided a diverse array of research that contributed to advancing the understanding of sustainable practices across various industries. From green supply chain management to corporate integrity, digital transformation, and Shariah equity markets, the conference facilitated a rich exchange of ideas and research-driven solutions for sustainability challenges. The proceedings were published by the Accounting Research Institute of Universiti Teknologi MARA, ensuring that the conference's findings would reach a global academic and professional audience, furthering the mission of promoting sustainability in technology, management, and beyond.



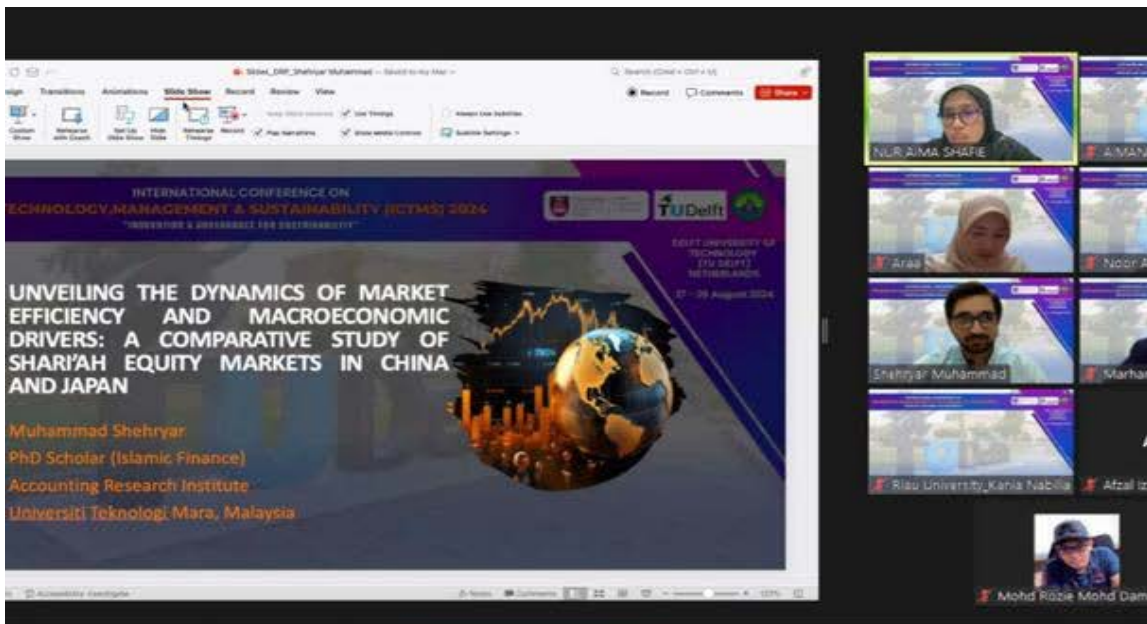
DAY 1: FACE-TO-FACE SESSION AT DELFT UNIVERSITY OF TECHNOLOGY, NETHERLANDS.



DAY 2: VIRTUAL SESSION (9am-4.30pm MYT)

Time	Program
9:00 AM - 9:05 AM	Opening Session
9:05 AM - 9:15 AM	Welcoming Speech by Prof Dr Zuraidah Mohd Sanusi Director Accounting Research Institute (ARI), Universiti Teknologi MARA, Malaysia
9:15 AM – 9:30 AM	Welcoming Speech & Guest Speaker I Assoc Prof Dr Hj Alvi Furwanti Alwie Universitas Riau, Indonesia "Innovation Ability and Entrepreneurial Competence"
9:30 AM – 10:15 AM	Guest Speaker II Prof Dr Javier Andrés Gómez Díaz Corporación Universitaria Minuto de Dios, Colombia, South America "Effects Of Economic Violence and Cyberabuse Over Work Environments: A Psychological Approach"
10:15 AM –11:00 AM	Guest Speaker III Prof Dr M. Faishal Aminuddin Universitas Brawijaya, Indonesia "Digital Governance and Technocracy: Obstacles and Opportunity to Delivering Public Services"
11:00 AM – 11:45 AM	Guest Speaker IV Prof Dr Dilvin Taskin Yaşar University, Türkiye "Sustainable Finance, Environmental Regulations and Trade"
11:45AM – 2:00 PM	Lunch Break Video ICTMS in-person in Netherland
2:00 PM – 4:00 PM	Parallel Session
4:00 PM	Closing Ceremony and Best Paper Award announcement Dr Nurhidayah Yahya & Prof Dr Jamaliah Said Accounting Research Institute (ARI)





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ID2

DETERMINANT OF GRERN SUPPLY CHAIN MANAGEMENT PRACTICES: CASE STUDY IN INDONESIA COMPANY

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Green supply chain management focuses on improving company sustainability growth and to consider positive impact on the people along the supply chain. Company should increase economic and social, reduce their impact on environment and positively impact the people along the supply chain. Company in Indonesia has implemented green supply chain practice to improve their performance and to support green business process. Implementation of green supply chain management are done to fulfil stakeholder needs. This study aims to identify determinant of green supply chain management practices. This qualitative research will use primary data by interviewing some companies in Indonesia. The data will be analysed using triangulation method. Based on literature review, determinants of green supply chain management practices are foreign ownership, profitability, board of directors and audit committee. This will lead to sustainable business process in the company and generate new ideas on how to implement sustainable practices on social, environmental and economic aspects. Determinant of green supply chain management shows in Table 1.

Table 1. determinant of Green Supply Chain Management

Dimension	Construct
Green purchasing	Providing design specification to suppliers that include environmental requirements for purchased item
	Cooperation with suppliers for environmental objectives
	Choice of suppliers by environmental criteria
	Environmental audit for suppliers' internal management
Green manufacturing	The manufacturing process will reduce the noise pollution to the minimum
	Substitution of polluting and hazardous materials/parts
	Filters and controls on emissions and discharges
	Production planning and control focused on reducing waste and optimizing materials exploitation
	Process design focused on reducing energy and natural resources consumption in operations
Green distribution and packaging	Reduction of packaging materials
	Ecological materials for primary packaging
	Recyclable or reusable packaging/containers in logistics GDP4.
	Selection of cleaner transportation methods
	Effective shipment consolidation and full vehicle loading
	Routing systems to minimize travel distances
	Cross-functional cooperation for environmental improvements

Dimension	Construct
Internal environmental management	Established an environmental protection index of recycling, gaseous reduction and energy conservation
	Environmental management system exists
	Support for environmental practices from senior managers and mid-level managers
	The company's efforts in relation to environmental matters have exceeded the requirements of the relevant regulations
Green marketing	Supply to customers and institutions of regular voluntary information about environmental management
	Sponsoring of environmental events/collaboration with ecological organizations Gmar3.
	Use of natural environmental arguments in marketing
	Periodic updating of the website on environmental issues
	Material packages will be labelled for retrieval purposes
	Considered that Eco Products boost the consumers' purchasing willingness

In summary, sustainability in Indonesia positively driving economic growth, environmental protection, and social benefits. Those are determinant of sustainability performance:

Table 2. Determinant of sustainability performance

Dimension	Construct
Economic performance	Decrease in cost of materials purchased
	Decrease in cost of energy consumption
	Decrease in fee for waste discharge
	Improvement in earnings per share
	Improvement in return on investment
	Sales growth
	Profits growth
Social performance	Improvement in customer satisfaction
	Improvement in its image in the eyes of its customers
	Improvement in investments on social projects (education, culture, sports)
	Improvement in relations with community stakeholders, e.g., nongovernmental organizations (NGOs) and community activists
	Improved awareness and protection of the claims and rights of people in community served
	Improvement in employee training and education
	Improvement in occupational health and safety of employees
	Improvement in overall stakeholder welfare or betterment
Environmental performance	Improvement of an enterprise's environmental situation
	Reduction in waste (water and/or solid)
	Reduction in air emission
	Decrease of consumption for hazardous/harmful/toxic materials
	Decrease of frequency for environmental accidents

In conclusion, the adoption of Green Supply Chain Management (GSCM) and sustainability practices in Indonesia is yielding substantial benefits across economic, environmental, and social dimensions. Economically, GSCM drives cost efficiencies, opens up new market opportunities, and attracts investment by enhancing competitiveness and responding to global demand for sustainable products. Environmentally, it contributes to pollution reduction, resource conservation, and climate change mitigation, addressing critical issues such as air and water quality and resource depletion. Socially, GSCM fosters job creation, improves public health, and strengthens community engagement, leading to more resilient and supportive local communities.

Despite these positive impacts, challenges such as high implementation costs, regulatory inconsistencies, and a need for greater awareness and education remain. Overcoming these hurdles through supportive policies, financial incentives, and increased stakeholder engagement is essential for maximizing the benefits of GSCM and advancing sustainability goals in Indonesia. As the country continues to embrace these practices, it stands to gain a more sustainable and prosperous future, balancing economic growth with environmental stewardship and social responsibility.

SUSTAINABLE ENTREPRENEURSHIP: ROLE OF SUSTAINABILITY AT UNIVERSITIES, SUSTAINABILITY COMPETENCIES, AND GREEN ACCOUNTING

Julita^{1*}, Muhammad Luthfi Iznillah², Riska Natariasari¹, Desmiyawati¹, Aidurra Izzara¹, Kania Nabilla¹, Alvi Furwanti Alwie¹

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The growing global consensus is that the Earth cannot sustainably provide the necessary resources given the current population and increasingly complex socio-economic activities (Salehe et al., 2024; Tunçalp & Yıldırım, 2022). This situation has led to significant transformations in entrepreneurship through sustainable product innovations (Tunçalp & Yıldırım, 2022). Consequently, Sustainable Entrepreneurship (SE) has emerged as a new branch of entrepreneurship that emphasizes the transformation of business practices towards sustainability-oriented practices (Salehe et al., 2024). Higher education institutions play a key role in this transformation (Veiga Ávila et al., 2019). Higher education institutions play a key role in this transformation (Veiga Ávila et al., 2019). Universities have a broader and more complex role, surpassing their primary task of providing education (Fanea-Ivanovici & Baber, 2022; Karahan, 2024). Several studies indicate that an increasing number of universities are adopting the idea that sustainability can be integrated into entrepreneurial support systems or that sustainability activities should be conducted and promoted with an entrepreneurial spirit (Fichter & Tiemann, 2018; Karahan, 2024). Sustainability at University encompasses the integration of campus, environmental, and educational sustainability in every university activity (Fanea-Ivanovici & Baber, 2022). Universities play a crucial role in creating entrepreneurs through academic spin-offs and student start-ups, but the gap between interest and entrepreneurial realization shows the need to strengthen the entrepreneurial ecosystem on campus (Audretsch et al., 2019).

Given the increasingly urgent need to address sustainability issues and the strategic role universities play in resolving these issues (Berchin et al., 2021), experts believe that education is the most crucial way to tackle these problems, alongside new policies and technologies (Menon & Suresh, 2020). Based on a case study in Sweden, the Sustainability Competencies Model is recommended to address sustainability challenges (Karahan, 2024). The author highlights that there remains a gap in research related to sustainability at universities, inconsistencies in findings from various studies, and notes that some research overlooks Sustainability Competencies. However, according to studies by (Fichter & Tiemann, 2018; Molderez & Ceulemans, 2018; Muhamad Noor et al., 2024; Ploum et al., 2018). Sustainability Competencies are crucial for student engagement in sustainability activities. Meanwhile, research by (Bagiada et al., 2020) shows that Green Accounting is a determinant of entrepreneurial attitudes among the younger generation. This study builds upon research by (Bagiada et al., 2020; Fanea-Ivanovici & Baber, 2022; Muhamad Noor et al., 2024). It focuses

on Sustainability at Universities, Sustainability Competencies, Awareness of Green Accounting, and Entrepreneurship for Sustainability, stemming from the theoretical framework and research gaps

This study highlights how universities can integrate sustainability concepts into entrepreneurship programs to address this gap. Entrepreneurship increasingly becoming a global concern and an attractive career choice, there is a clear need to strengthen the entrepreneurial ecosystem on campus. Increased awareness of the importance of sustainability has necessitated the integration of sustainable practices in various sectors, including higher education. This study investigates the influence of Sustainability at Universities on Entrepreneurship for Sustainability, with Sustainability Competencies and Awareness of Green Accounting as moderating variables. The main objective of this study is to explore how these factors influence sustainable entrepreneurial activities among university students. This research is part of the efforts to realize the Sustainable Development Goals (SDGs) and aligns with the Faculty of Economics and Business (FEB) UNRI's Green Campus program by accelerating the entrepreneurial ecosystem on campus, focusing on factors influencing Sustainable Entrepreneurship.

This research was conducted using convenience sampling technique, collecting primary data through an online questionnaire. A total of 753 students from Universitas Riau, Indonesia participated in this study. This research consists of 5 hypotheses, Data analysis was conducted using Structural Equation Modeling-Partial Least Square (SEM-PLS) with the help of SmartPLS 3.0 software. Based on the hypothesis testing results, it can be concluded that hypotheses H1, H2, and H4 are accepted with positive path coefficient values of 0.261, 0.317, and 0.191, respectively, indicating that Sustainability at Universities, Awareness of Green Accounting, and Sustainability Competencies significantly and positively affect Entrepreneurship for Sustainability ($p < 0.005$). Meanwhile, hypotheses H3 and H5 are **rejected** with path coefficient values of -0.057 and -0.039, respectively, indicating that Awareness of Green Accounting and Sustainability Competencies do not moderate the relationship between Sustainability at Universities and Entrepreneurship for Sustainability. Therefore, it can be concluded that while Sustainability at Universities, Awareness of Green Accounting, and Sustainability Competencies directly enhance Entrepreneurship for Sustainability, the moderating effects of Awareness of Green Accounting and Sustainability Competencies are not significant in this context.

This study underscores that the programs implemented at Universitas Riau related to entrepreneurship and sustainability education appear to be effective in enhancing students' awareness and competencies in these areas, which in turn encourages their participation in sustainable entrepreneurial practices. These findings align with existing literature and reinforce the empirical evidence on the influence of Sustainability at Universities (Fanea-Ivanovici & Baber, 2022), Awareness of Green Accounting (Bagiada et al., 2020; Junger da Silva et al., 2020), and Sustainability Competencies (Brundiars et al., 2021; Fichter & Tiemann, 2018; Molderez & Ceulemans, 2018; Muhamad Noor et al., 2024; Ploum et al., 2018; Venn et al., 2022) on Entrepreneurship for Sustainability. The significant influence of Sustainability at Universities and Sustainability Competencies on sustainable entrepreneurship suggests that educational institutions play a crucial role in shaping students' attitudes and behaviors towards sustainability, consistent with research by Arinta & Iskandar (2022) and Fanea-Ivanovici & Baber (2022). This supports sustainability theory (Donella Meadows et al., 1972), which emphasizes the importance of meeting current needs without compromising future generations' abilities by enhancing environmental awareness and competence to create a more responsible

and sustainability-oriented generation. The high levels of awareness and competencies among Universitas Riau students indicate their positive attitudes towards sustainable entrepreneurship, which in turn drive their intentions and behaviors to engage in such practices. Therefore, these findings support and reinforce the theories used, showing that sustainability-focused education and programs can effectively influence students' entrepreneurial attitudes and behaviors.

This study also explores the moderating role of Awareness of Green Accounting (M1) and Sustainability Competencies (M2) in this relationship. The testing results show that the path coefficients for M1 (-0.057) and M2 (-0.039) with ($p > 0.005$) indicate that these variables do not moderate the relationship between Sustainability at Universities and Entrepreneurship for Sustainability. This means that Awareness of Green Accounting and Sustainability Competencies do not strengthen or weaken the impact of Sustainability at Universities on Entrepreneurship for Sustainability among students. For Universitas Riau students, these results might reflect that even though they have a high level of awareness and competence regarding sustainability and Green Accounting, these factors do not act as additional drivers in the context of the university's influence on their sustainable entrepreneurship. This could be due to other more dominant or relevant factors in their context, such as institutional support or practical experience gained during their studies. As found by Dagiliūtė et al. (2018), sustainability practices at universities are implemented through participation and collaboration, as well as through internal organizations (business incubators) and the provision of support systems (Brinkhurst et al., 2011; Fichter & Tiemann, 2018). For students, university incubators serve as reference points for obtaining resources, knowledge, networks, and transforming habits, attitudes, and entrepreneurial behaviors (Busch & Barkema, 2022; Nicholls-Nixon et al., 2021; Passavanti et al., 2023). Thus, while Sustainability at Universities, Awareness of Green Accounting, and Sustainability Competencies have a direct positive and significant influence on Entrepreneurship for Sustainability, the interaction between these factors does not provide an additional significant effect in the context of Universitas Riau students. This might indicate that in the context of TBL (Elkington, 1997) and Stakeholder Theory (Freeman, 1984), these factors are not strong enough to modify the relationship between university sustainability and sustainable entrepreneurship among Universitas Riau students. According to the Theory of Planned Behavior (Ajzen, 1991), other factors such as institutional support or practical experience might have a greater influence on students' entrepreneurial intentions and behaviors. Sustainability theory (Donella Meadows et al., 1972) and TBL (Elkington, 1997) suggest that while awareness and competence are important, the actual impact in practice might be more influenced by practical aspects and the support provided by the university environment.

Based on these findings, it is recommended that Universitas Riau continues to strengthen and develop entrepreneurship and sustainability education programs in a more practical and integrated manner. Although Awareness of Green Accounting and Sustainability Competencies do not show significant moderating effects, these factors remain important as part of a broader curriculum. The university should consider enhancing student engagement in business incubators and collaborative programs that provide practical, hands-on experience in managing sustainable ventures. The practical implications of this study highlight the need for emphasizing institutional support and providing adequate resources to facilitate the implementation of sustainable entrepreneurship. From a managerial perspective, universities should ensure that sustainable entrepreneurship programs not only emphasize theory but also provide real opportunities for students to apply these principles in practice. This will help create an environment that supports sustainable innovation and strengthens the long-term impact of sustainability education.

This study shows that Sustainability at Universities, Awareness of Green Accounting, and Sustainability Competencies have a direct and significant positive impact on Entrepreneurship for Sustainability among students at Universitas Riau. The high average scores on these three variables indicate that students have a good understanding and awareness of sustainability concepts. These findings support sustainability theory, the Triple Bottom Line (TBL), and the Theory of Planned Behavior by emphasizing the importance of integrating sustainability principles into education and entrepreneurial practices. Meanwhile, it was also found that Awareness of Green Accounting and Sustainability Competencies do not moderate the relationship between Sustainability at Universities and Entrepreneurship for Sustainability. Nevertheless, these factors remain important as part of a broader curriculum.

The limitations of this study include the use of a cross-sectional design that does not show definitive causal relationships, the context limitation of Universitas Riau which hinders generalization, potential respondent bias from students, and the quantitative data analysis approach that may not fully reflect the actual state of affairs. It is recommended to use a longitudinal design, involve multiple universities with different characteristics, engage various stakeholder groups, and combine quantitative and qualitative approaches for future research.

Keywords: *Entrepreneurship, Sustainability, Competencies, Green Accounting.*

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ID4

THE ROLE OF BRAND AMBASSADOR IN SOCIAL MEDIA, PURCHASE INTENTION AND THE IMPACT TO CUSTOMER DECISION

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In the current era, social media has become a necessity in fulfilling aspects of activities for business continuity. Social media is an important platform especially for Brand Ambassadors, to influence perceptions and shape interactions between Brand Ambassadors and consumers regarding a product. Brand Ambassador is an activity where a brand or product has a contract with a public figure to represent their brand or product (Lea-Greenwood in Rico Bernado, 2021). This study examines the relationship between the role of Brand Ambassador on social media and purchase intention which has an impact on customer decisions. The study was conducted involved a sample of 119 Implora Customers who were surveyed through non probabilistic sampling and purposive sampling with criteria. The results obtained were processed using the statistical software SPSS. This research contributes to the field of knowledge about cosmetic consumption. Behavior and uncover findings that help fill the knowledge gap regarding the influence of the brand ambassador on social media role on the relationship between purchase intentions and customer decisions. This study shows that for certain customers, the ambassador brand is a relevant factor in their purchasing decisions as long as the ambassador brand has a strong character and high popularity and in line with the product, the ambassador brand can also brand the product and itself is also related with each other, especially in daily activities and the last is to gain trust from consumers on social media that the product is able to compete with other products.

Keywords: Brand Ambassadors, Social Media, Purchase Intention, Customer Decision

ID5

HOW ARE INNOVATION AND ENTREPRENEURSHIP IN THE CULINARY BUSINESS IN PEKANBARU?

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This research aims to explore innovation and entrepreneurship in the culinary business in Pekanbaru, Indonesia. With the development of technology and changing consumer preferences, innovation has become a crucial element in maintaining competitiveness and business sustainability in the culinary sector. This study employs a qualitative method with a case study approach on various culinary businesses in Pekanbaru, ranging from traditional eateries to modern restaurants.

Data were collected through in-depth interviews with business owners, field observations, and business document analysis. The results show that product innovation, such as the development of new menus and the adaptation of traditional recipes with local ingredients, and process innovation, such as the use of digital technology for marketing and online ordering, have significantly contributed to the growth of culinary businesses. Furthermore, entrepreneurship characterized by risk-taking, creativity, and adaptability to market changes plays a key role in the success of culinary businesses in Pekanbaru.

This research also identifies the main challenges faced by culinary entrepreneurs, including intense competition, limited capital, and lack of government support. However, it finds that opportunities for growth are still very open, especially through collaboration with digital platforms, improving service quality, and strengthening local branding. This study provides practical recommendations for culinary entrepreneurs and policymakers to support the development of the culinary sector in Pekanbaru, focusing on enhancing innovative and entrepreneurial capacities.

Keywords: innovation, entrepreneurship, entrepreneurial marketing, culinary business.

ID7

UNVEILING THE DYNAMICS OF MARKET EFFICIENCY AND MACROECONOMIC DRIVERS: A COMPARATIVE STUDY OF SHARI'AH EQUITY MARKETS IN CHINA AND JAPAN

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The avenue of investment in stock exchanges has always been profitable, as well as riskier for investors by purchasing shares (Tuyekar et al., 2023). In this connection, Islamic equity markets have been playing an important role as a better avenue of investment for Syariah-compliant equity investors since 2008, as evidenced by global Islamic finance report 2023 (GIFR, 2023) that the worldwide Syariah economic industry had reached US\$ 3.80 trillion at the last of 2022, by a growing rate of almost 300% as contrasted to US\$ 1 trillion in 2009 with this strong prediction that at the end of 2025, they will reach up to US\$ 5 trillion. Importantly, during the global financial crises (2007-2009), Syariah equity markets and banks were more stable as compared to conventional ones (Chapra, 2008). Therefore, it would be eminent to learn the various factors of Syariah markets, Syariah institutions, and the products they offer, as this will enable stockholder for the most informed investment choices. So, this study aims to test the Random Walk Hypothesis by examining the weak-form informational efficiency of the Syariah equity market in two top economically developed countries of East Asia: China and Japan. Moreover, this research investigates the long-term and short-term association with causality amongst the returns of both Syariah equity markets and three macroeconomic factors (exchange rate, inflation rate, interest rate) in both countries.

Syariah equity indices must maintain their informational efficiency. Equity investors, or shareholders, are always interested in earning abnormal returns by predicting as well as purchasing the share at a low value as well as selling it at a high price (Steinborn, 2024). For predictions, investors use many strategies and analyses (e.g., fundamental analysis, technical analysis, etc.), but in spite of using many techniques, they are unable to earn abnormal returns (Shehadeh & Zheng, 2023). Eugene Fama (Fama, 1970) founded, the Efficient Market Hypothesis, a vital theory of standard finance, wherein he concluded that the efficiency of a market shows that the prices of all market's assets perfectly and quickly reflect all existing information, and nobody can get the higher returns. Moreover, Fama (1970) suggested the efficiency in three categories, i.e., weak form, semi-strong form, and strong form. In this respect, the Random Walk Hypothesis is believed to be the fundamental view of the Efficient Market Hypothesis (Malkiel, 1973) and says that in an efficient market, stock values will exhibit random movements which implies that the market produces and disseminates information arbitrarily, leading to random fluctuations in prices. Lo and MacKinlay (1988) as well as Shehryar et al. (2022) have also emphasised the importance of creating favorable conditions for market efficiency as regulators and traders seek to exploit inefficiencies to earn abnormal profits. Many studies have discussed the input of researchers to the prevailing literature by examining the informational efficiency of Syariah and conventional indices. But researchers as well as academics have paid less attention to Syariah markets in comparison to

conventional markets specifically in Asia (Al-Muharraqi & Munir, 2023; Ali et al., 2018; Ardiansyah & Qoyum, 2012; Shehryar et al., 2022) and found that Syariah equity markets are more efficient than conventional counterparts (Alam et al., 2016; Charles et al., 2017; Khan et al., 2021). So, current study aims to examine the weak-form informational efficiency of two East Asian Syariah equity indices of China and Japan.

In addition, macroeconomic variables also have a substantial influence on the share market and investment behavior due to their key part in the economy. The macroeconomic elements encompass factors like interest rate, inflation, exchange rate, money supply, and many others. Several scholars have done studies to analyse the influence of macroeconomic factors on the share market, but very limited studies have been done in Syariah equity indices and have shown a strong association. For instance, the studies of Baranidharan and Alex (2020), Djedović et al. (2020), Haida et al. (2024), Mulyadi and Wibowo (2023), Nugroho et al. (2023); Pantas et al. (2019), and Shehryar et al. (2022). Given the significance of macroeconomic variables and their effect on the share market, we also assess the cointegration amongst macroeconomic factors as well as the equity market.

The existing literature has made significant contributions to the field, particularly in relation to general studies. However, there is a noticeable lack of research on Islamic indices, specifically in the important area of Syariah indices. Given the significant growth and ongoing developments in Syariah finance, it has become essential to examine various factors of the Syariah market that could possibly impact its future performance. Consequently, this research prolongs the prevailing literature by exploring the weak-form efficiency of the Syariah stock market in two economically developed countries in East Asia (China and Japan) through the testing of the RWH. This is important for investors, experts, and policymakers to make informed decisions based on the Islamic financial system and market information. In addition, it examines the long-run and short-run association and causality amongst the returns of Syariah equity markets and three macroeconomic factors (exchange rate, inflation rate, and interest rate). This study has larger scope as current research employs more robust statistical tests with longer sample period of fourteen years (2009-2023). As a result, this research serves as motivation for researchers to conduct additional research on Islamic investing.

To achieve the empirical objectives of this quantitative study, panel secondary data of the daily as well as monthly index prices of two East Asian Syariah indices the FTSE Syariah China Index (China) and FTSE Syariah Japan 100 Index (Japan) has been obtained from July 1, 2009 to June 30, 2023. The state banks of chosen sample countries' official websites provide monthly data on all three macroeconomic indicators (exchange rate, inflation rate, and interest rate). This study used purposive sampling to choose China and Japan, two of the most economically developed East Asian countries. As far as the descriptive as well as inferential statistics is concerned, this study used the software of R and EViews.

To test the Random Walk Hypothesis, Choi (1999) and Kim (2009)'s Automatic Variance Ratio is employed for the examination of weak-form informational efficiency. Findings show that the FTSE Syariah Japan 100 Index was efficient (weak-form), whilst the FTSE Syariah China Index rejected the Random Walk Hypothesis. Thus, using historical information and technical analysis, investors can earn abnormal returns in the Chinese Syariah share market. But, in the Japanese Syariah share market, technical analysis is futile. Further, descriptive findings show that FTSE Syariah Japan 100 index provides higher returns with lower risk, suggesting strong investment potential. These findings might vary by time period with the same sample and this

knowledge of informational efficiency can help investors make favorable decisions by linking and using information from dissimilar economic states (boom, bullish).

Further, for cointegration analysis, this research employed the augmented dickey fuller test for stationarity examination, Johansen co-integration test, and vector error correction model to investigate the long-term and short-term association with causality amongst the returns of both Syariah equity markets and three macroeconomic factors (exchange rate, inflation rate, interest rate) in both countries. Augmented dickey fuller test's findings show that variables are non-stationary at level but became stationary at first difference. Johansen cointegration test statistics found that in China and Japan, stock return and all three macroeconomic factors are long-term associated but not short-term. Further, vector error correction model finds the long-run causality from macroeconomic factors to market returns in China and Japan, but short-term causation is absent in both countries. For diagnostic checking, this study used the Jarque-Bera test for normality, Breusch-Pagan-Godfrey for heteroscedasticity, LM for autocorrelation and found no deviation in assumptions.

So, in nutshell, it can be concluded that Islamic equity indices and shares may be better investments than conventional ones and this study's outcomes are very significant for the Syariah equity investors, conventional equity investors, mutual funds, brokers, practitioners, policymakers, and regulators. This study has faced some limitations like it could not incorporate other Syariah indices of world, increase the time span, or include other macroeconomic factors. For future research, this study suggests studying the effects of structural shifts on efficiency and association in the manifestation of distinct breakdowns in variance (Jeong et al., 2017) to help investors earn more money. Additionally, Adaptive Market Hypothesis may be used in research to analyse efficiency and anomalies in short time periods, providing investors with the most information (Lobão & Costa, 2023). Other Asian, MENA, and global countries may be sampled (Khan et al., 2021).

Keywords: Syariah Equity Markets, Weak-Form Informational Efficiency, Random Walk Hypothesis, Macroeconomic Factors

EFFECT OF TAX JUSTICE AND MORALE ON TAXPAYER COMPLIANCE, MODERATED BY TRUST

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Indonesia's tax collection system uses a self-assessment methodology. Under this system, people are empowered to fulfil their tax responsibilities, such as autonomously determining, paying, and filing their taxes. Taxpayers must, however, abide by all applicable rules and regulations. However, taxes are the main source of finance for the state; at the moment, taxes account for about 85% of APBN's revenue. The government therefore anticipates that people will honour their tax responsibilities. The current level of taxpayer compliance is still subpar, though. Indonesia's tax revenue ratio will remain low in 2022, estimated by the World Organization for Economic Cooperation and Development to be about 10.1%, far below the average standard of 15%. Even though the Asia Pacific region's average tax rate at the time was 19%. This circumstance demonstrates that there is still a poor level of taxpayer compliance with their tax duties. Similarly, the taxpayer compliance ratio in the Pekanbaru region remains low, having fluctuated between 20% and 24% during the past four years.

MSMEs, or micro, small, and medium-sized enterprises, were selected as study subjects because they constitute a vital component of Indonesia's economy. Data from the Ministry of Cooperatives and SMEs in 2021 showed that there were 64.2 million MSMEs in Indonesia, contributing 61.07%, or IDR 8,573.89 trillion, to the country's GDP. MSMEs ought to be allowed to contribute the most tax revenue possible to state revenue in this way. According to Gade MSMEs play an important role in increasing national income and wealth.

Various factors can influence tax compliance, including justice, which consists of procedural and distributive justice. Procedural justice refers to fairness perceived from the procedures used to allocate resources by Greenberg. Meanwhile, distributive justice is the perception of justice about the distribution of resources among individuals by Özer et al. If taxpayers feel that the tax authorities have treated them fairly, both procedurally and distributively, they will be motivated to comply with the rules to fulfill their tax obligations. Richardson also argued that taxpayers tend to avoid paying taxes if they consider the tax system unfair. Psychologically, taxpayers generally think that paying taxes is a burden that burdens them. These conditions will influence the attitude of taxpayers, namely that they will pay taxes if the tax authority is fair in carrying out procedures for all taxpayers by Cremer. Distributive justice in taxation is conceptually also related to the fairness felt by taxpayers regarding the tax payments they make. If taxpayers feel that the tax payments they make have an impact on their welfare, they will be motivated to comply with paying their taxes. According to Gede et al., distributive justice will encourage taxpayers to comply in carrying out their tax obligations.

Another factor that influences tax compliance is tax morale. Tax morality is an intrinsic motivation to comply and pay taxes thereby contributing voluntarily to the provision of public goods by Togler. According to Togler, tax morale can help explain the high degree of tax compliance.

Another factor that can influence tax compliance is trust. In this study, trust will be used as a moderating variable, which may strengthen or weaken the influence of both tax justice and tax morals on taxpayer compliance. Taxpayers' trust in the tax authorities will influence how obedient taxpayers are in paying their taxes.

Despite many studies that have documented taxpayers' perceptions of tax justice and morals, this research also investigates how a sense of trust plays a moderating role in increasing taxpayer compliance in carrying out their tax obligations. Therefore, this research contributes to the management accounting literature, especially regarding how to influence individual behaviour. This study aims to investigate and analyse the influence of Procedural and distributive justice and morale on tax compliance. This study also wants to investigate and analyse the moderating role of trust.

The theory of planned behaviour, viewed by Ajzen, states that human behaviour is a reaction, both simple and complex. The characteristics of each individual are different so one stimulus can cause the same or different response. The intentions of each individual differentiate human attitudes and behaviour. Intention is also the key to the relationship between attitudes and planned behavior.

Ajzen also states that attitude is a tendency to react positively or negatively to a thing, person, organization, or event by Pangesti et al. This view indicates that a pessimistic view will lead to tax non-compliance, and an optimistic view will encourage increased tax compliance Pangesti et al.

Procedural justice is defined as the fairness felt by taxpayers in the process of distributing tax rights and obligations. To achieve procedural justice, the law must be implemented according to procedures, and tax collection must be carried out fairly. Taxpayers will feel that the tax authorities have implemented procedural justice if they perceive that the tax authorities have treated them with more dignity, attention, and respect.

Distributive justice refers to judgments about fairness in the policy of the Director General of Taxes as the holder of tax authority for taxpayers, which is related to the perception of equal rights and obligations received by taxpayers for the tax payments they make.

Tax morals are a strong impulse within individuals who believe that tax obligations are obligations that every individual must fulfil for the sake of sustainable governance and development of the Republic of Indonesia by Pertiwi. According to Pertiwi, taxpayers who have tax morals are shown by (1) having good intentions to comply with tax regulations; (2) believing that taxes are beneficial for the sustainability of the country; (3) believing that a citizen must obey and comply with the laws and regulations in force in his country, including in this case tax regulations. Taxpayers who have tax morals will be motivated to carry out their tax obligations by applicable regulations.

Trust is a reciprocal behaviour given by taxpayers when there is satisfaction and comfort that has been carried out by the tax authority in handling tax payments. According to Khavas, trust is an important element in the development of any constructive relationship. Trust is not limited to interpersonal interactions, and it can influence many forms of interaction. Trust is one element that influences the effectiveness of a system, especially in terms of security, performance, and success rate.

MSME taxpayers who are registered with the Pekanbaru Senapel Tax Service Office (KPP) comprise the study's demographic. Taxpayers of MSME actors who are currently registered with KPP Pratama Pekanbaru Senapelan and in active status are the sample that is deemed appropriate as a data source. The process of sampling involves going to the places of businesses owned by MSME players who have registered with KPP Pratama Pekanbaru Senapelan. 3,771 MSME taxpayers were registered with KPP Pekanbaru Senapelan, according to statistics from KPP Pratama Pekanbaru Senapelan. Consequently, 362 study samples with a 5% margin of error can be found using the Slovin formula.

The measurement scale used by researchers on the questionnaire is the Likert scale. Measurement with the five Likert scale is intended to measure questionnaire answers by respondents who have gradations from very positive to very negative Sugiyono, 2012: 133. The data in this study were analyzed using structural modeling with partial least squares (SEM-PLS), using Warp-PLS software version 7.0. According to Ghozali, PLS is an analysis method that is powerful because it is not based on many assumptions; can be used to test moderating variables; can be used on small samples; data does not have to be normally distributed, so it can be used for data that has nominal, ordinal, interval or ratio categories; can be used to confirm theories, build relationships for which there is no theoretical basis, test propositions, and explain whether or not there is a relationship between latent variables.

The hypothesis can be accepted if the test results show a p-value that is smaller than 0.05, conversely, the hypothesis is rejected if the p-value shows a number greater than 0.05 as follows: $p\text{-value} \geq 0.05$, then H_0 is accepted $p\text{-value} < 0.05$, then H_0 is rejected and H_a is accepted.

The definitions and interpretations of the mean, minimum, maximum, and standard deviation are included in descriptive statistics. The data analysis based on the respondent's responses to the suggested questionnaire is described in the statistical description. It was discovered from the test results that each variable's standard deviation is less than its average value. The findings demonstrate how good the data is. Three crucial elements (1) convergent validity, (2) discriminant validity, and (3) composite reliability will be clarified in this outer model. When the correlation with the latent variable to be tested is more than 0.7, convergent validity is good, according to Ghozali. A method of testing discriminant validity with reflecting indicators is, by Sekaran & Bougie, comparing the correlation value between each square root of AVE and its comparison with $AVE > 0.50$. Next. As to reference Ghozali, composite reliability values beyond 0.70 signify that every latent variable satisfies high-reliability standards, with Cronbach alpha being greater than 0.60. In inner Model Test Result, Tax Compliance has an R-Square score of 0.480. This shows that trust-making, distributive justice, procedural justice, and tax morale have an influence of 48.0%, with other variables not included in this study potentially having an impact on the remaining variables.

The application of procedural justice in taxation is one of the elements that influence taxpayer compliance. One way that the government implements procedural justice is to ensure that the tax system is fair. The determination of tax regulations, the provision of possibilities for correction, and the implementation of tax collection felt by taxpayers form the basis of this justice. The study's findings support the attribution theory, which holds that an individual's behaviour is impacted by other forces. In this case, the external force is the government's application of procedural justice to taxpayers. This notion supports the idea that procedural justice may have an impact on taxpayer compliance. The study's findings support those of (A

Syahril; Fajriana et al.; and Rachmawan et al.), who found a substantial relationship between procedural justice and taxpayer compliance.

The study found that tax morale, distributive justice, and procedural fairness influence MSME taxpayer compliance. Specifically for procedural justice is Taxpayers are more compliant when they view tax procedures as fair, Distributive justice Taxpayers are more compliant when they feel tax revenues are fairly allocated, and Tax morale is Taxpayers with strong tax compliance are more consistently compliant. Trust in the government/tax authority can amplify the positive impact of tax justice and morale on compliance. It is anticipated that future studies will broaden their focus and include additional factors that affect taxpayer compliance. To give the study's findings more generalizability, the author also hopes that researchers can raise the questionnaire's return rate even higher.

Keywords: Procedural Justice, Distributive Justice, Tax Morale, Trust, Taxpayer Compliance.

THE IMPACT OF GOVERNMENT POLICIES ON BANGLADESHI LABOUR MIGRATION TO MALAYSIA

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Purpose of the study: The main purpose of this study is to investigate and explore the role of bilateral agreements, visa regulations, and social integration policies and labour agreement policies regarding labour migration of Bangladeshi workers in Malaysia. The exploration of a vast range of factors is intended to be considered through this study, while different policies and agreements, such as the G2G program, MoU and MM2H. As it can be seen that government policies and support hold exponential performance toward labour migration, while the case of Bangladeshi labour migration in Malaysia is quite renowned. Some key factors have also shown which have a big impact on the migrated labourers of Bangladesh in Malaysia which can be the support and resilience of labour market policies, immigration policies, social integration policies and economic opportunities. It has also seen that the severe surge in obtaining business licenses is observed among foreigners in Malaysia, among which, a significant percentage of people of Bangladesh. A figure has also been analysed, where it can be seen that 1.3 thousand people have migrated in 2023. It has also been analysed a total of 10 International Recruiting Agencies, also known as IRAs are provided with potential responsibilities to operate and control the migrated labour recruitment activities in Malaysia. The main objectives that have been evaluated here are, to investigate the implications of visa regulations through EP and S pass on Bangladeshi labour migration in Malaysia, to explore the effects of bilateral agreements on influencing Bangladeshi labourers to migrate to Malaysia, to analyse the implications of social integration policies towards creating advantages for Bangladeshi migrated labourers in Malaysia and to illustrate the significance of labour agreements regarding Bangladeshi labour migration in Malaysia.

During this whole research work, some research gaps have also been faced by the researchers, that are lack of availability of published studies relating to the role and significance of government support toward Bangladeshi migrated labourers in Malaysia has led to the incorporation of primary quantitative research creating a critical research gap. The lack of qualitative data is identified to be the main research gap in the present study. Some brief discussions have also been shown here, that are, Bangladeshi Labour migration to Malaysia. Here it can be seen that the migration among the labourers which has also turned out to be a common aspect in the modern era, is mainly caused by a vast range of factors. Critical implications of the recruitment agencies are being researched by different authors where it has been observed regarding Bangladeshi labour migration in Malaysia due to the increased necessity of training and cultural knowledge. Visa regulations are also being analysed here, where the most significant and relevant aspects involve the immigration process. A bilateral agreement or contract can be defined as a specific type of agreement conducted between two

different parties or nations regarding any specific purpose. Labour agreement policies, where the implementation of labour agreement policies is intended to create employment and economic 1/3 opportunities for contract workers, which can also be maintained through signing a memorandum of understanding or MoU between two different nations, have also been analysed here. Social integration policies, where the implementation of social policy along with its integration with economic legislation is expected to be supportive of the promotion of social stability, political unity and equality despite complications. Some hypotheses are also being analysed here, which are, Visa regulations (EP & S pass) directly impact labour migration, Bilateral agreements have a positive impact on labour migration, Labour agreement policies also impact Bangladeshi labour migration and social integration policies directly affect labour migration in Malaysia.

Research Methodology: The implementation of a primary quantitative methodological approach has created incredible opportunities for gathering relevant information associated with the migration of Bangladeshi labourers. Quantitative data has been gathered from a total of 61 participants having direct involvement with the migration of Bangladeshi workers, where a total of 21 questions were generated based on the research context. The dependent and independent variables are being considered for the question formulation process, whereas the IBM SPSS software has been facilitated for analysing and interpreting the survey outcomes.

Results: The results gained from the statistical analysis have indicated the extensive use of employment pass or EP among Bangladeshi workers, along with the presence of low-skill and low educational qualifications for employment. The analysis and interpretation of primary data have provided incredible insights into the role of the independent variables in labour migration in Malaysia by illustrating the results of a vast range of statistical methods. The increased pressure of allowing migration of low-skilled Bangladeshi labourers is quite high for Malaysia, while the Bangladeshi government is observed to implement various migration-friendly policies and practices. Bangladesh is observed to have interconnections with low-skilled employment and engage with critically vulnerable labour conditions. Bangladesh is identified to be the second largest exporter of semi-skilled and low-skilled workers in Malaysia. As per the primary data interpretation, the Malaysian government has implemented incredibly innovative and supportive policies and legislative norms, which include the G2G program, MoU, minimum wage policies and visa policies. During the survey, respondents disclosed their low education capabilities and qualifications, indicating one of the common skill-related issues between Bangladesh and Malaysia. It is important to understand that the current policies associated with labour migration and employment of foreign workers is most likely to be fair and viable as per the data shared by the survey participants.

According to this analysis, it can be realised that the age group of 18-22 years has been seen here at the maximum rate, as it has been the most impactful age group among migrated labourers, which is observed to be this one. According to gender perspective, more than 70% of the total respondents are male, with an insignificant rate of female respondents. These aspects reflect that many male labourers migrated from Bangladesh to Malaysia, while the number of female workers is relatively low. In the perspective view of the educational qualification of the respondents nearly 43% of them have completed secondary education, more than 31% of the total respondents are observed to have only primary education with a significant rate of approximately 21% of the participants with higher education. Due to this situation, these people are accustomed to getting involved with jobs having low-skill requirements and low payment. There is also a big range of visa and work permits available for migrated labourers in Malaysia. Approximately 78% of the survey respondents have

revealed that they hold an employee pass 2/3 or EP, and more than 21% of the respondents with work permits, it has been mentioned that a high percentage of Bangladeshi labourers who migrated to Malaysia have secondary education qualifications. Impact of Malaysian government policies on work experience, as revealed by the survey respondents, these policies tend to have an incrementally positive effect on enhancing the work experience of Bangladeshi migrated workers. Other than that, more than 26% of the survey respondents have also argued about a critically negative impact of the Malaysian government policies associated with labour migration. Henceforth, the current labour migration policies and norms are observed to be practically beneficial for Bangladeshi workers who have migrated to Malaysia. Effectiveness of current policies in protecting migrant workers' rights in Malaysia, where it has been realised that the data shared by the survey participants, these policies can be considered as very effective, also it has been seen that more than 55% of the total survey respondents have shared positive perceptions relating to the current migration and employment policies in Malaysia, whereas around 11% of the participants have argued about their inefficiency regarding the protection of workers' rights.

The significant value of labour agreement policies is observed as .025, which can be stated to hold a statistically significant relation with labour migration in Malaysia. The Malaysian government has implemented incrementally adequate policies regarding social protection and healthcare financing of migrant labourers in the country. These come under the main policies and related factors that are eventually protecting the rights of migrant workers in Malaysia. It is observed that labour agreement policies play the most outstanding role in labour migration in Malaysia. Indeed, the survey results have disclosed a relatively significant effect of G2G programs regarding the improvement of labour conditions and rights of Bangladeshi workers who have migrated to Malaysia. Conclusions: This study has helped in formulating exclusive insights associating the implications of government policies by the Malaysian government; in addition to that, suitable strategic options have also been recommended to upgrade the performance. This investigation has displayed inconceivably significant experiences related to the impacts of government approaches on Bangladeshi moved specialists in Malaysia. Encouraging an essential strategy for data gathering has empowered the conduction of broad investigations that make points of interest for distinguishing proof of key variables affecting the relocation of Bangladeshi workers in Malaysia. The Malaysian government has ordered an endless run of administrative standards honed and arrangements to guarantee feasible conditions for relocated outside specialists. Be that as it may, within the case of Bangladeshi labourers, there's an inconspicuous confinement with respect to the accessibility of work grants and visa directions as Bangladeshi specialists are for the most part given with brief work grants. In spite of this perspective, the overview respondents have uncovered utilizing work pass or EP for their relocation in Malaysia. From that point, it can be said there's a continuous requirement to update the remote work movement arrangements and administrative standards.

ID12

RISK TOLERANCE, PERCEIVED USEFULNESS, AND INTENTION TO SUBSCRIBE TO DIGITAL UNIT TRUST

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The Malaysia Unit Trust Scheme has been operating digitally since 2017 (SC, 2017). Since then, Unit Trust Online Digital Service (UTODS) has supplanted all of the agents' traditional services, leaving the agents responsible for providing financial advice to investors. The agents are prohibited from interfering with their clients' online investment activities or performing on their behalf (SC, 2017). Today, more than fifty percent of industry players have been licensed by the UTODS (FIMM IMS, 2022), allowing them to enjoy the benefits of technology (FIMM IMS, 2018–2024). This digital revolution has successfully improved subscription rates, especially throughout the pandemic movement control order, and until today. Despite worries about the rise of online fraud and misconduct by unit trust agents (FIMM AR, 2008–2023), investors consistently continue to use the platform (FIMM IMS, 2018–2024). The situation was brought to the attention of the study, questioning what could have caused the investors' determination to continue using UTODS in such a riskier environment. Considering there is no explanation for the situation, and the lack of research on UTODS in Malaysia, this study will delve further into the mentioned issue in the industry. Observation of the current industry condition, discussions with investors and industry professionals like unit trust specialists, and references to government rules and acts were performed for essential direction in developing the study's objectives. In addition, the study will investigate investors' attitudes towards the current crime that hits UTODS and potentially affects their transaction security and data privacy.

Two objectives were developed for this study: the first was to examine the significant relationship between perceived usefulness and digital unit trust subscription intention, and the second was to examine the moderating effect of risk tolerance on perceived usefulness and digital unit trust subscription intention. This study contributes to the body of knowledge with a novel discovery of risk tolerance among the community of individual unit trust investors in Malaysia. The contribution also benefited industry players like unit trust providers, financial technology intermediaries, and regulators. It is suggested that future researchers conduct a study on constructing the fiduciary duties of unit trust agents in UTODS, which will assist the industry in preventing fraud and misconduct, securing the industry, and better understanding the challenges and constraints that unit trust providers face.

The underpinning theory for this study is the Theory of Planned Behaviour (TPB) by Azjen (1985). The TPB was used to support the investigation of the individual investors' strong

intention to engage using UTODS. On the other hand, the study used perceived usefulness under the Technology Acceptance Model (TAM) by Davis (1986) to examine the quality of the UTODS motivational factor that stimulates the investors' persistent intention to commit to the technology even in the presence of a risk. This study prioritizes perceived usefulness because most prior TAM research found that perceived usefulness was the most critical element influencing people's attitudes towards and actual use of technology. The other reason for the study to integrate additional predictors from other relevant theories or incorporate key constructs such as perceived usefulness is to expand the TPB framework, like some previous researchers. This study proposes risk tolerance as a potential factor to moderate perceived usefulness and subscription intention. The study also focuses on investors' risk tolerance towards their online transaction security and data privacy under UTODS. Another model theory that the study used is risk tolerance under the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In general, risk tolerance has limits in various situations, and individuals and organizations must understand these limits since taking on too much risk can result in severe losses that are difficult or impossible to recoup. Two hypotheses were formulated to examine the relationships among the suggested variables. The first hypothesis is that Perceived Usefulness has significant effects toward Digital Unit Trust Subscription, and the second hypothesis is that Risk Tolerance moderating the effect of Perceived Usefulness toward Digital Unit Trust Subscription Intention.

This study employs a deductive research approach, starting with the theoretical frameworks of the Theory of Planned Behaviour (TPB) and the Technology Acceptance Model (TAM). A deductive approach is appropriate as it allows for the testing of predefined hypotheses derived from established theories. A quantitative research design was chosen, utilizing a survey-based method to collect data from the respondents. A structured, self-administered questionnaire was developed based on an extensive literature review, the research model, and insights from previous studies. The questionnaire included four sections: demographic information, subscription intention, perceived usefulness, and risk tolerance for UTODS. Respondents rated their experiences using a 5-point Likert scale. A pilot study was conducted with 30-unit trust specialists to test the reliability and validity of the questionnaire. Reliability was assessed using Cronbach's alpha, with a threshold of 0.70 indicating acceptable reliability. Feedback from the pilot study led to minor revisions in the wording of some questions to enhance clarity and relevance. The study's population comprises individual investors in Malaysia who use UTODS. A sample size of 384 was determined based on Sekaran's (2006) recommendation for ensuring the results' accuracy. The sample was selected using a stratified random sampling technique to ensure representation across different investor demographics. The data was collected and analysed in three steps. The first step was to examine the scale using exploratory factor analysis with maximum likelihood and variance rotation using the IBM SPSS Statistics software, Version 28.0.0.0 (190). The next stage included validating the factor structure, which was obtained from exploratory factor analysis, forwarded to confirmatory factor analysis, and analysed using the IBM SPSS AMOS 28.0.0 software. The final stage was to evaluate the hypotheses by analysing the structural model using the IBM SPSS AMOS 28.0.0 software.

The findings of this study supported the first hypothesis and confirmed that perceived usefulness has significant effects on digital unit trust subscription intention. The findings identified three perceived usefulness criteria that motivate individual investors in Malaysia to subscribe to the scheme when the unit trust companies provide online information related to analytical funds' performance, access to real-time redemption, and real-time switching functions. All of these findings are consistent with previous research. Scholars in 2023 confirmed that the perceived usefulness of the digital platform offered by unit trust fund brokers

allows investors in other countries to reach all investment aspects, including real-time investing. Another researcher confirmed that technological advancement has moved the financial services industry into an era in which organizations adopt digital tools and radically change to create value for users.

This study found that individual investors in Malaysia's unit trust market were drawn to unit trust companies that offer technological base services like UTODS with high quality, consistent quality, and up-to-date quality. This finding is consistent with earlier research in 2023, which discovered that unit trust investors were already familiar with financial self-service platforms because they had access to various high-quality technological service platforms, such as stock and gold trading. The finding is also supported by other prior scholars in 2020, who highlighted that companies must differentiate themselves by creating an innovative competitive edge digital tool aligned with constant evolution. The finding is further clarified by another previous researcher, who found that content superiority, system quality, and service differentiation are the three key selection attributes for digital platform-based subscription services.

The research findings supported the second hypothesis, confirming that risk tolerance moderated the effect of perceived usefulness towards digital unit trust subscription intention. This study discovered that individual investors in Malaysia would tolerate the risk of UTODS if the online service included a variety of fraud deterrents and financial compensation for losses caused by misleading information provided by the technology. These findings were supported by earlier studies that justified a person's risk-taking as counterbalanced by perceived risk and trust, thus impacting his behavioural intention. Other prior scholars also discovered that a person's risk tendency outweighs a reasonable financial indemnity.

This study contributes to the body of knowledge, a novel discovery of risk tolerance among the community of individual unit trust investors in Malaysia. The contribution benefited industry players like unit trust providers, financial technology intermediaries, and regulators. It is suggested that future researchers conduct a study on constructing the fiduciary duties of unit trust agents in UTODS, which will assist the industry in preventing fraud and misconduct, securing the industry, and better understanding the challenges and constraints that unit trust providers face.

Keywords: Digital Unit Trust, Subscription Intention, Perceived Usefulness, and Risk Tolerance, Unit Trust Online Digital Service (UTODS)

ID14

STRATEGIC PLANNING AND CAPABILITY IN THE ATTAINMENT OF SUSTAINABLE PERFORMANCES WITHIN COOPERATIVES

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The study explores how strategic planning and capability synergise to drive sustainable performance in cooperatives. Cooperatives are based on principles and values that include voluntary and open membership, member democratic control, equitable distribution of benefits, autonomy and independence, education and training, cooperation among cooperatives, and concern for the community. This paper conceptualises the roles of strategic planning and capabilities in cooperatives, emphasising the interplay between these elements in enhancing governance, innovation, and community development. The study proposes a synergising between strategic planning and capability, which are essential in achieving long-term sustainability, particularly in the cooperative context.

Introduction and Purpose

Cooperatives, being member-owned organisations that operate to meet economic, social, and cultural needs while adhering to the Triple Bottom Line (TBL) concept, are increasingly recognised for their contributions to economic growth and sustainable development. However, their ability to maintain sustainability across economic, social, and environmental dimensions is based on the effectiveness of strategic planning and capability. Sustainable performance is defined as an organisational goal that is not merely to generate profit but to realise social and environmental responsibility to process, produce products, and provide services to improve organisational performance. Strategic planning is a tool that can be described as a guide and decision-maker to attaining the organisation's goals. Meanwhile, capabilities encompass resources, skills, and competencies that an organisation should leverage to implement its strategies effectively.

This paper addresses the existing literature gap on how cooperatives synergise strategic planning with capabilities to achieve sustainable performance. The findings offer insights for future research and practical guidance for cooperatives to achieve sustainable success. Through a conceptual analysis, we explore the dynamic relationship between these two drivers, highlighting their potential to enhance cooperative operations in line with Sustainable Development Goals (SDGs) and Environmental, Social, and Governance (ESG) frameworks.

Background and Literature Review

Strategic planning enables cooperatives to allocate resources efficiently, enhance management, and drive sustainable performance (Kinyuira, 2020; Ruiz, 2021). Capability supports cooperatives by fostering innovation, fulfilling customer needs, and increasing competitiveness

through flexible operations and product innovation (Amit & Schoemaker, 1993; Torkington, 2021). Despite these potential benefits, cooperatives face significant challenges in implementing strategic planning, yet the complexities of aligning it with cooperative capabilities remain underexplored. Drawing upon the Dynamic Capability View (DCV) theory to cooperatives highlights the importance of continuously integrating capabilities with strategic goals to drive sustainable performance. However, more studies need to focus on the cooperative context.

Methodology

The paper presents a conceptual analysis of strategic planning and capability within cooperatives, highlighting how these elements can synergise to foster sustainability. It critically reviews the literature on cooperatives' performance, using real-world examples to underscore the practical application of theoretical insights. The Dynamic Capabilities View (DCV), as an underpinning theory, provides insights into the importance of strategic planning and capability in achieving long-term success in dynamic and competitive cooperative markets.

Finding

The analysis reveals that strategic planning and capability are essential for cooperatives to achieve sustainable performance. By aligning these two elements, cooperatives can adapt to environmental and economic changes, foster innovation, and maintain competitiveness. Key elements that enhance this synergy include financial sustainability, innovation, governance, and collaboration. Cooperatives particularly implement strong strategic planning frameworks, combined with the development of organisational capabilities such as technological competence and sufficient financial position, which ultimately contribute to sustainable performance by response to market changes and societal needs. For example, cooperatives like Koperasi Pekerja-Pekerja PETRONAS Berhad (KPPB) and Koperasi Serbaguna Malaysia Berhad (KSM) demonstrate how different cooperatives influence strategic planning and capability to align with their specific goals and operational contexts in fostering sustainable growth and long-term success within the cooperative sector. These efforts collectively contribute to the long-term success and resilience of cooperatives in Malaysia and contribute to stability and economic and social welfare.

Practical Implications

The findings emphasise the importance of a synergising relationship between strategic planning and the capability of cooperatives to achieve long-term goals and maintain a competitive advantage. By synergising these components, cooperatives could enhance their financial performance, innovate new products and services, and respond effectively to environmental changes. Moreover, the study highlights the importance of strategic planning, which allows for efficient resource allocation, market expansion, and compliance with legal regulations. In particular, cooperatives that successfully integrate these processes can enhance product quality, respond to market demands, and increase member engagement. Addressing governance and financial challenges through improved leadership, stakeholder engagement, and continuous learning is critical for maintaining competitive advantage and ensuring long-term sustainability.

Conclusions

Strategic planning and capability development are essential factors of sustainable performance in cooperatives. By synergising these components, cooperatives can achieve long-term financial stability, improve operational efficiency, and foster community development. This

study provides a conceptual framework for future empirical research to explore further strategic planning and capabilities in cooperatives and their impact on sustainable performance.

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ID15

ENHANCING CAPABILITY THROUGH CORPORATE INTEGRITY: EVIDENCE FROM MALAYSIAN STATUTORY BODIES

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Introduction

Accountability is fundamental to organisational performance in both private and public sectors, ensuring transparency, effectiveness, and the delivery of services that meet public expectations. In the public sector, particularly in statutory bodies, accountability is crucial as these organisations implement government policies and manage public resources. The integration of corporate integrity practices with accountability mechanisms has gained attention but remains underexplored, especially in the Malaysian context (Bovens, 2010). Corporate integrity practices—such as ethical foundations, ethical culture, and ethical risk management—are pivotal to enhancing accountability. These practices enable organisations to foster trust, prevent unethical behaviour, and improve governance (Said et al., 2016). The role of statutory bodies in Malaysia is significant, as they manage substantial resources and are expected to uphold high standards of accountability. Recent studies have demonstrated the importance of corporate integrity practices in reducing corruption and promoting transparency (Abd Aziz et al., 2015). This study aims to evaluate the relationship between corporate integrity practices and the accountability of Malaysian statutory bodies.

Methodology

This study employs a quantitative research design, utilising a structured questionnaire distributed to 291 Malaysian statutory bodies. The respondents were top management personnel, including CEOs and equivalent roles, responsible for overseeing the organisations' governance practices. A total of 194 valid responses were received, representing both federal and state statutory bodies. The data were analysed using Partial Least Squares Structural Equation Modeling (PLS-SEM), which is appropriate for complex models and small sample sizes (Hair et al., 2017).

Corporate integrity practices were assessed using three dimensions: ethical foundation, ethical culture, and ethical risk management, based on the work of Dubinsky and Richter (2015). Accountability was measured through five dimensions: transparency, evaluation, complaint and response management, stakeholder engagement, and financial accountability. These dimensions were adopted from established frameworks such as the Global Accountability Report by One World Trust (Lloyd et al., 2007). Responses were recorded using a seven-point Likert scale, ranging from "strongly disagree" to "strongly agree." Common method bias was controlled through the introduction of a marker variable, and the size and type of statutory body were included as control variables.

Findings and Discussion

The results indicate a significant and positive relationship between corporate integrity practices and accountability in Malaysian statutory bodies. Organisations with strong integrity frameworks, including dedicated integrity departments and officers, demonstrated higher levels of accountability across all five dimensions. Ethical culture, in particular, was found to be a critical determinant of accountability, as it fosters transparency and stakeholder engagement. This is consistent with previous research that links corporate integrity to improved governance and reduced corruption risks (Said et al., 2016).

Financial accountability emerged as a particularly important aspect, emphasising the need for statutory bodies to manage public funds transparently. Given the significant amounts of public money handled by these organisations, it is crucial that financial practices align with ethical standards to maintain public trust. This finding supports earlier research by Abd Aziz et al. (2015), which highlighted the role of integrity systems in enhancing accountability in public sector organisations.

Furthermore, the study underscores the importance of fostering an ethical culture within statutory bodies. Ethical risk management, which includes mechanisms such as whistleblowing and fraud prevention, plays a vital role in mitigating risks and improving accountability. This aligns with Brenkert's (2004) assertion that corporate integrity is essential for organisational success and ethical behaviour.

Overall, the study suggests that statutory bodies in Malaysia can significantly enhance their accountability by institutionalising corporate integrity practices. The findings support the argument that integrity and ethical governance are key to improving public trust and organisational performance (Brenkert, 2004).

Conclusion

This study contributes to the growing body of literature on corporate integrity and accountability in the public sector by demonstrating a strong positive relationship between corporate integrity practices and accountability in Malaysian statutory bodies. The findings highlight the need for policymakers to prioritise the development of corporate integrity frameworks within public sector organisations, including the establishment of integrity departments and the appointment of corporate integrity officers.

For public sector leaders, these results provide valuable insights into the mechanisms that enhance accountability, particularly in areas such as financial transparency and stakeholder engagement. Future research could explore the impact of integrity practices in other public sector organisations, such as ministries and local authorities, and consider new dimensions of accountability and integrity as governance challenges evolve.

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ID16

ADVANCING WEB-BASED SUSTAINABILITY REPORTING: AN IN-DEPTH EXPLORATION OF RELIGIOUS INSTITUTIONS

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Introduction

In recent years, sustainability has become a critical focus across all sectors, driven by the urgent need to address environmental, social, and economic challenges. Religious institutions, especially the State Islamic Religious Councils (SIRCs) in Malaysia, hold a significant position due to their influence on community values and behaviours. Despite their potential impact, these institutions often struggle with integrating sustainability into their operations and reporting practices. This research explores the pivotal role of web-based sustainability reporting for Islamic religious institutions in Malaysia. It aims to develop a comprehensive framework that harmonises religious obligations with the principles of sustainability, leveraging digital technologies to enhance transparency and accountability.

Purpose

The main objective of this study is to understand the current practices of web-based sustainability reporting in SIRCs and to develop a framework that supports these institutions in effectively communicating their sustainability efforts. The study seeks to bridge the gap between religious teachings and sustainability practices, proposing a framework that includes environmental stewardship, transparency, accountability, stakeholder engagement, and data management. By focusing on these elements, the research aims to provide a blueprint for religious institutions to enhance their sustainability reporting while aligning with their unique cultural and religious contexts.

Methodology

The research adopts a qualitative, multi-site approach to gain in-depth insights into the sustainability reporting practices of SIRCs. The study involved 13 SIRCs across different regions of Malaysia, chosen for their diversity and representation. Data were collected through 27 semi-structured interviews with key personnel, including heads of departments, information technology officers, webmasters, and administrative staff. The interviews focused on understanding the challenges and opportunities in web-based sustainability reporting. Additionally, a thorough document review of the institutions' websites was conducted to analyse the existing content and identify gaps in current reporting practices. Thematic

analysis was utilized to identify patterns and themes that informed the development of the proposed framework.

Findings

The findings of the study reveal significant insights into the current state and challenges of sustainability reporting among Islamic religious institutions. Four key elements were identified as crucial for an effective web-based sustainability reporting framework:

1. **Environmental Stewardship:** The study found that many institutions lack a formalized approach to environmental sustainability. There is a need for structured guidelines that encourage practices such as reducing paper usage through digitalization and engaging in community-based environmental programs. The framework proposes integrating religious teachings that emphasize environmental conservation with practical measures to enhance ecological responsibility.
2. **Transparency and Accountability:** Effective sustainability reporting requires transparency in communication and accountability to stakeholders. The study identified a gap in the clarity and accessibility of information provided by religious institutions. The proposed framework emphasizes the need for standardized reporting formats and regular updates to ensure that stakeholders have access to accurate and relevant information about the institutions' sustainability efforts.
3. **Stakeholder Engagement:** Engaging stakeholders, including congregants, government bodies, and the broader community, is vital for the success of sustainability initiatives. The study found that institutions often underutilise digital platforms for stakeholder engagement. The framework suggests leveraging social media and interactive web features to enhance stakeholder communication and involvement in sustainability efforts, thereby fostering a more collaborative approach to achieving sustainability goals.
4. **Data Management:** Efficient data management is essential for effective sustainability reporting. The study highlights the importance of robust data collection, management, and analysis systems to support accurate and timely reporting. The framework proposes the adoption of advanced digital tools and technologies that facilitate real-time data sharing and analysis, ensuring that sustainability reports are comprehensive and evidence based.

Practical Implications

The proposed framework has significant implications for religious institutions, policymakers, and scholars. For religious institutions, adopting this framework can enhance their ability to integrate sustainability into their operations and communicate their efforts effectively. For policymakers, the framework provides a foundation for developing regulations and guidelines that promote sustainable practices in religious contexts. Additionally, the study contributes to academic discourse by expanding the understanding of sustainability reporting in non-traditional sectors, highlighting the unique challenges and opportunities presented by religious institutions.

Conclusion

This study addresses a critical gap in the literature by providing a detailed examination of web-based sustainability reporting in Islamic religious institutions. By proposing a comprehensive framework that integrates environmental stewardship, transparency, accountability, stakeholder engagement, and data management, the research offers a novel approach to enhancing sustainability practices in these institutions. The findings underscore the importance of digital platforms in promoting sustainability and suggest that religious institutions have a vital role to play in advancing environmental and social goals. The framework developed in

this study could serve as a model for other religious and cultural institutions seeking to enhance their sustainability efforts while maintaining alignment with their core values and teachings.

Keywords: Sustainability Reporting, Religious Institutions, Web-Based Platforms, Environmental Stewardship, Data Management, Stakeholder Engagement, Islamic Values

THE IMPACT OF DIVERSE BOARD COMPOSITION ON ENVIRONMENTAL AND FINANCIAL REPORTING INTEGRITY

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In today's globalized economy, where the emphasis on corporate responsibility and transparency is more pronounced than ever, the integration of environmental, social, and governance (ESG) factors into business strategies has become a focal point for stakeholders. This growing demand for sustainable business practices underscores the critical role of corporate environmental disclosure (CED) in shaping perceptions of a company's commitment to sustainability. At the heart of this study is an exploration of how board diversity, particularly in terms of gender and financial expertise, influences the relationship between corporate environmental disclosure and earnings management (EM). The study is situated within the Malaysian manufacturing sector, a pivotal industry in Malaysia's economy that is increasingly under scrutiny for its environmental impact. The rationale behind focusing on Malaysia is multifaceted. As a developing country, Malaysia presents a unique case where regulatory frameworks like the Malaysian Code of Corporate Governance (MCCG) 2021 are designed to enhance corporate governance practices. The MCCG 2021 emphasizes board diversity and financial competency, aligning with global trends towards more inclusive and transparent governance structures. This study, therefore, aims to provide empirical evidence on the effectiveness of these guidelines in fostering better corporate disclosure practices and improving the quality of financial reporting. By examining the intersection of board diversity, environmental disclosure, and earnings management, this research contributes to the broader discourse on sustainable corporate governance in emerging markets.

The methodology employed in this study is both rigorous and comprehensive, leveraging the Generalized Method of Moments (GMM) to analyze panel data from 1,290 firm-year observations. The data, sourced from the annual reports of manufacturing companies listed on Bursa Malaysia between 2016 and 2021, provides a rich foundation for exploring the intricate dynamics between board diversity and corporate reporting practices. The GMM technique is particularly suited to this study as it addresses potential endogeneity issues—common in governance research—by controlling for unobserved heterogeneity and simultaneity biases, thereby ensuring the robustness of the findings.

Earnings management is scrutinized through both accrual-based and real-based proxies, offering a comprehensive view of the different methods companies might use to manipulate financial statements. The Modified Jones Model and the Kothari Model are employed to measure accrual-based earnings management, which focuses on the manipulation of accounting figures through discretionary accruals. In contrast, real-based earnings management is assessed through proxies such as abnormal production costs, abnormal cash flows from operations, and abnormal discretionary expenses, which capture the manipulation of actual

business operations to achieve desired financial outcomes. Board diversity is examined through two main lenses: gender diversity and financial competency. Gender diversity is quantified by the proportion of female directors on the board, as well as the compliance with the 30% female representation benchmark. This benchmark is critical, as it reflects the threshold often recommended by governance best practices for ensuring that the presence of women on boards is not merely symbolic but substantial enough to influence decision-making. Financial competency, on the other hand, is measured by the presence of directors with significant accounting or financial expertise, reflecting their ability to provide informed oversight of complex financial matters. This dual focus allows the study to capture the multidimensional nature of board diversity and its potential impact on corporate governance outcomes.

The findings of this study reveal significant insights into the role of board diversity in shaping corporate behavior. The presence of female directors on corporate boards is shown to have a dual effect on earnings management practices. Specifically, boards with a higher percentage of female directors are associated with a reduction in accrual-based earnings management, indicating that gender-diverse boards may enhance the board's ability to monitor and constrain opportunistic financial reporting. This aligns with existing literature suggesting that women bring unique perspectives and ethical considerations to the boardroom, which can lead to more rigorous oversight of financial reporting practices. However, the study also finds that the relationship between corporate environmental disclosure and real-based earnings management is more complex in the presence of gender-diverse boards. Boards with at least 30% female representation exhibit a stronger positive relationship between CED and real-based earnings management. This could imply that while such boards are effective in mitigating accrual manipulations, they might also be more inclined to engage in real activities management. This may be due to a heightened awareness of the operational aspects of sustainability, where decisions are made to align short-term operations with long-term environmental goals, potentially at the expense of immediate financial performance.

The role of financial competency on the board is equally significant. The presence of directors with substantial financial expertise is found to correlate with lower levels of both accrual-based and real-based earnings management. This suggests that financially competent boards are better equipped to oversee financial reporting and ensure that earnings are presented in a true and fair manner. The study highlights that such boards are not only more vigilant in detecting and curbing financial manipulation but also more effective in enforcing transparency in environmental disclosures. This is crucial in industries like manufacturing, where financial and environmental complexities often intersect. These findings provide strong support for the regulatory emphasis on board diversity and financial competency, as outlined in the MCCG 2021. They suggest that the implementation of these guidelines can significantly enhance corporate governance by improving both financial reporting quality and environmental transparency. For Malaysian companies, especially those in the manufacturing sector, this study offers valuable insights into how board composition can be strategically managed to meet both regulatory requirements and stakeholder expectations for sustainable business practices.

This study makes several key contributions to the field of corporate governance. Firstly, it provides empirical evidence on the impact of board diversity on the quality of corporate environmental disclosure and earnings management, with a specific focus on an emerging market context. This is particularly valuable given the growing emphasis on ESG factors in global financial markets and the need for robust governance frameworks in developing economies. By examining the interaction between gender diversity, financial competency, and corporate disclosure practices, the study extends the existing literature on how board

composition influences corporate transparency and accountability. Secondly, the study contributes to the understanding of the practical implications of the MCCG 2021 guidelines. It demonstrates that adherence to these guidelines can lead to tangible improvements in corporate governance, particularly in enhancing the accuracy and reliability of financial and environmental reporting. This has important implications for policymakers, who can use these findings to refine and strengthen governance codes, not only in Malaysia but in other emerging markets with similar corporate governance challenges. Thirdly, the research offers actionable insights for corporate leaders and investors. For corporate leaders, the findings underscore the importance of fostering a diverse and financially literate board as a strategic asset that can enhance the company's credibility and attractiveness to investors. For investors, the study provides a framework for assessing the governance quality of potential investments, particularly in terms of the board's ability to oversee ethical and sustainable business practices. This is increasingly relevant in a global investment climate where ESG considerations are becoming integral to investment decisions.

In conclusion, this study reinforces the critical importance of board diversity in enhancing corporate governance practices. The findings suggest that companies with diverse and financially competent boards are better positioned to navigate the complexities of modern corporate governance, ensuring that they meet the evolving expectations of regulators, investors, and other stakeholders. As the global business environment continues to evolve, the emphasis on board diversity and financial competency is likely to intensify, making these factors key considerations for any company aiming to achieve sustainable and ethical business success. The study's implications are particularly relevant for emerging markets like Malaysia, where the development of robust corporate governance frameworks is essential for attracting foreign investment and fostering economic growth. By providing empirical evidence of the positive impact of board diversity and financial competency, this research offers a valuable guide for companies and regulators looking to enhance their governance structures. Future research could build on these findings by exploring the impact of other board characteristics, such as board independence, tenure, and duality, on corporate environmental disclosure and financial reporting quality. Additionally, comparative studies across different sectors and regions could further illuminate the role of board diversity in shaping corporate governance practices in various contexts.

Moreover, the study suggests avenues for further investigation into the mechanisms through which board diversity influences corporate behaviour. For instance, exploring the role of board dynamics, such as how diverse boards interact and make decisions, could provide deeper insights into how diversity translates into better governance outcomes. Similarly, examining the impact of board diversity on other aspects of corporate performance, such as innovation, risk management, and corporate culture, could offer a more holistic understanding of the benefits and challenges associated with diverse boards. In summary, this study makes a significant contribution to the understanding of how board diversity and financial competency influence corporate governance in an emerging market context. It provides valuable insights for policymakers, corporate leaders, and investors, highlighting the importance of fostering diversity and financial literacy on corporate boards to achieve sustainable and responsible business practices. As companies and regulators continue to grapple with the challenges of globalization and sustainability, the findings of this study offer a timely reminder of the critical role that board composition plays in shaping the future of corporate governance.