

THE EFFECT OF SUSTAINABILITY ACCOUNTING ON FINANCIAL PERFORMANCE WITH TRANSPARENCY AS A MODERATOR

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Abstract

This study was conducted to see the influence of sustainable accounting on the financial performance of companies with transparency as a moderator in financial sector companies listed on the Indonesia Stock Exchange from 2020 – 2022. This study uses secondary data with a sample of 129 companies selected by the purposive sampling selection method. The analysis used in this study is a panel data regression test using the EViews 12 program. The results of this study show that sustainable accounting has an effect on the company's financial performance as measured by ROE (Return On Equity) but does not affect ROA (Return On Assets) and ROI (Return On Investment) and transparency moderates the relationship between sustainability accounting and ROE and ROI but transparency does not moderate the relationship between sustainability accounting and ROA.

Keywords: Sustainability Accounting, Financial Performance, Transparency

1. Introduction

Sustainability accounting is a term related to policies to incorporate environmental cost elements into the accounting practices of companies or government agencies. Environmental costs are an implication that arises from both financial and non-financial aspects (Hery, 2016). Sustainability Accounting is an accounting approach that considers environmental and social factors in a company's accounting practices. Sustainability accounting aims to ensure that business practices not only assist companies in generating profits, but also minimize negative impacts on the environment and benefit stakeholders. Melinda (2023) emphasized that sustainable accounting practices have a real impact on company performance and sustainability. Subagyo & Murwaningsari (2023) added that transparency in sustainability reports increases company trust and reputation, which can ultimately improve the company's competitiveness and resilience.

Sustainability accounting in the financial sector in the 2020-2022 period brings a number of significant benefits. The application of sustainability accounting increases corporate transparency and accountability, reduces risk and supports long-term sustainability, and attracts investors who focus on ESG factors. In addition, this practice also increases customer trust and loyalty and ensures compliance with increasingly stringent regulations. And sustainability accounting can help financial companies to be more adaptive and responsible in facing sustainability-related challenges and opportunities. Widodo, T., & Hartati, H. (2021), shows that companies that conduct consistent and comprehensive sustainability reporting tend to have a higher market value, because they are considered more credible and responsible by investors.

Financial performance is crucial to a company's success and is a reflection of the company's ability to generate profits, manage resources and meet its financial obligations. Good financial performance reflects the stability and sustainability of the business

(Krishnanda & Machdar, 2022). Generally, financial performance assessments are carried out through various indicators such as revenue, net profit, cash flow, financial ratios and return on investment. Research by Oktavinus et al, 2022 shows that good financial performance contributes to a company's reputation and image.

Companies that are known to have stable and profitable financial performance tend to be more valued in the market, which can increase the stock price and attract more investors. A good reputation can also help companies in business negotiations including getting large contracts or strategic partnerships with other companies. Thus, good financial performance is not only important for business continuity but also for long-term growth and the company's reputation in the market. A company's financial performance can be assessed from the ratio of Return on Equity (ROE), Return on Assets (ROA), Return on Investment (ROI), the better ROE, ROA, ROI the better the company's performance. Understanding the differences and relationships between these three ratios will help in evaluating the company's financial performance and making wiser decisions (Kasmir, 2018).

Return on Equity (ROE) is a ratio that shows how much equity contributes in creating net income. The higher the return on equity, the higher the amount of net profit generated from each rupiah of funds embedded in equity. (Herry (2016:107). A high ROE is often interpreted as a sign that the company's management is able to use shareholder funds efficiently to generate profits. Sari and Nugroho (2019), mentioned that companies with higher levels of sustainability disclosure tend to show better financial performance, including higher Return on Equity (ROE),

Return on Investment (ROI) is a company's ability to generate profits that will be used to recoup the investment spent. (Sutrisno, 2001). ROI describes how effectively a company is using the invested funds to generate profits. This ratio is important because it provides information to management and investors about how much profit has been generated compared to the costs that have been incurred on the investment. In other words, ROI shows the efficiency of a company in managing investments to generate added value. Fitriani and Santoso (2018), showed that companies that consistently implement and disclose sustainability practices have higher ROI and good management of environmental, social, and governance (ESG) aspects can improve operational efficiency and attract more investors, which has a positive impact on ROI.

In 2020, the financial performance of the financial sector experienced a significant decline marked by a decline in financial ratios such as ROE, ROA, and ROI. This decline was mainly due to the impact of the COVID-19 pandemic which caused economic pressure, increased credit risk, and market uncertainty. Many companies and individuals face financial difficulties, which has led to an increase in non-performing loans and a decline in bank revenues. In addition, uncertainty in global financial markets has led investors to be cautious, resulting in high volatility and a decline in the value of investments. In the period 2020 to 2022, companies in the financial sector showed mixed fluctuations in ROE, ROA and ROI. Some companies note improvements in efficiency and profitability. On the other hand, some companies experienced a decline, indicating challenges in operational efficiency or an increase in claims. While some companies are showing recovery, others are still facing difficulties in the next few years. This phenomenon highlights the potential for unsustainable performance in the financial sector. To overcome this, the application of sustainability accounting, which integrates environmental, social, and governance aspects, can be a solution to improve financial performance and achieve long-term sustainability.

Transparency is an open, clear, and easy-to-understand state. This can refer to openness in a variety of activities, including organization, finance, management, and government. In the context of government accounting, transparency is essential for public accountability and to prevent corruption. This includes the public's right to access comprehensive information regarding finance and other activities. In general, transparency is characterized by an open attitude and can be accessed by all parties who need it (Syafri, 2016). Transparency in sustainability reporting increases stakeholder trust, strengthens relationships, and provides accurate information about company practices. Siwij (2024) emphasizes the importance of transparency for credibility and trust. Transparency in financial statements allows for better decision-making, increased oversight, and encourages accountability, ultimately increasing profitability and minimizing misuse of funds.

Sustainability accounting practices combined with strong transparency in reporting are expected to have a significant positive impact on the company's financial performance, which can be seen through increased ROE, ROA, and ROI. Transparency plays an important role as a moderator by strengthening the positive relationship between sustainability practices and financial performance. This study uses the theory of Legitimacy Theory and Signaling Theory to explain the relationship between variables. John Dowling and Jeffrey Pfeffer (1975) stated that in the theory of legitimacy, organizations try to acquire, maintain and maintain legitimacy in the eyes of the public. As for Spence's signaling theory (1973), it states that companies have incentives to provide information to external parties for decision-making.

2. Theoretical Background

2.1 Legitimacy Theory

Legitimacy theory is a theory that focuses on the interaction between companies and society. This theory states that organizations are part of society so they must pay attention to social norms because conformity with social norms can make the company more legitimate. The theory of legitimacy was first introduced by John Dowling and Jeffrey Pfeffer in 1975. Subsequently, the theory was further developed by various academics, including Craig Deegan, who specifically highlighted the importance of legitimacy in corporate social and environmental reporting. The theory of legitimacy emphasizes the importance of companies adhering to social norms to be considered legitimate by society. By implementing sustainability accounting, companies can increase their legitimacy, which in turn can improve financial performance such as ROE, ROA, and ROI through improved reputation, operational efficiency, and risk reduction. Some studies have found that companies that transparently disclose environmental and social information in their annual reports tend to have higher ROE, ROA, and ROI. This shows that compliance with sustainability practices can increase the legitimacy and trust of stakeholders, which ultimately has a positive impact on the company's financial performance in Indonesia.

2.2 Signaling Theory

Signaling theory is a theory that explains why companies have incentives to provide information to external parties, such as investors, to reduce information asymmetry. The theory emphasizes the importance of information that companies issue for decision-making by external parties, such as investors (Drover Wood & Corbett, 2018). Signal theory was first introduced by Spence in 1973 and has since been studied extensively in the field of strategic management research. Signaling theory suggests that by disclosing

sustainability information, companies can reduce information asymmetry and provide positive signals to investors and other stakeholders. Several studies state that good sustainability disclosures can increase stakeholder trust and loyalty, which ultimately has a positive impact on a company's financial performance, including ROA, ROE, and ROI.

2.3 The Effect of Sustainability Accounting on Financial Performance Based on ROE Ratio

Sustainability accounting, in particular its disclosure, can affect financial performance, especially ROE. Endang Ruhayat (2014) explained that high ROE, which indicates good profitability, attracts investors. Positive sustainability accounting disclosures can be a good signal for investors, as explained in Signalling Theory by Michael Spence (1973). Transparent sustainability reports build investor confidence, attract capital, and ultimately increase ROE. Febriansyah & Fahreza (2019) and Mulpiani (2019) support this by finding that the disclosure of sustainability reports has a significant positive influence on ROE. By considering these descriptions and explanations, the hypothesis can be stated as follow *H1: Sustainability accounting has a significant effect on financial performance based on ROE ratio.*

2.4 The Effect of Sustainability Accounting on Financial Performance Based on ROA Ratio

Sustainability accounting, especially the disclosure of sustainable accounting can affect financial performance as measured by the ROA ratio. ROA measures a company's ability to generate profits from its assets. Drover, Wood, and Corbett (2018) explain that companies with good prospects often give positive signals to investors through the disclosure of sustainability reports, which reduces uncertainty and increases positive perceptions, which can ultimately increase ROA. Bukhori & Sopian (2017) and Karyawati et al. (2017) support this by finding a positive relationship between the disclosure of sustainability reports and I. Considering these descriptions and explanations, the hypothesis can be stated as follows *H2: Sustainability accounting has a significant effect on financial performance based on ROA ratio.*

2.5 The Effect of Sustainability Accounting on Financial Performance Based on ROI Ratio

Sustainability accounting, which is disclosed through sustainability reports, is closely related to financial performance, especially ROI. Transparent sustainability reports can be a positive signal for investors, increasing confidence and potential ROI as described in Signalling Theory by Drover, Wood, and Corbett (2018). Pura (2013) added that sustainability reports help companies manage non-financial risks, which further increases investor confidence. Yulianty (2020) and Sabrina (2019) provide empirical evidence for this, finding a positive relationship between sustainability reporting and ROI. By considering these descriptions and explanations, the hypothesis can be stated as follows *H3: Sustainability accounting has a significant effect on financial performance based on ROI ratio.*

2.6 Moderation of Transparency Between Sustainability Accounting Relationship and Financial Performance Based on ROE Ratio.

Transparency can moderate the relationship between sustainability accounting and financial performance. The disclosure of transparent sustainability reports, especially

those related to economic and governance dimensions, can increase investor confidence and perception of a company's performance. Ross (1977) in his Signalling Theory stated that transparency gives a positive signal to investors, leading to improved investment and financial performance. A study by Manisa & Defung (2017), Natalia & Tarigan (2014) supports this, showing that transparent sustainability disclosure has a positive impact on company performance. By considering these descriptions and explanations, the hypothesis can be stated as follows *H4: Transparency can moderate the relationship between sustainability accounting and financial performance based on ROE ratio.*

2.7 Moderation of Transparency Between Sustainability Accounting Relationship and Financial Performance Based on ROA Ratio

The disclosure of sustainability reports, especially economic performance, can affect financial performance. Transparency in such disclosures can strengthen this relationship. Signaling theory suggests that transparency acts as a positive signal for investors, reducing information asymmetry and increasing trust, which can ultimately increase ROA. Chandra & Augustine (2019) supports this, finding that corporate transparency amplifies the positive influence of sustainability disclosure on ROA. By considering these descriptions and explanations, the hypothesis can be stated as follows *H5: Transparency can moderate the relationship between sustainability accounting and financial performance based on ROA ratio.*

2.8 Moderation of Transparency Between Sustainability Accounting Relationship and Financial Performance Based on ROI Ratio

Transparency in the disclosure of sustainability reports can moderate the relationship between sustainability accounting and Return on Investment. Transparency acts as a positive signal for stakeholders, as explained by Connelly et al (2011). This increases investor confidence, attracts more capital, and ultimately increases ROI. Siboro (2023) supports this, showing that transparency strengthens the positive influence of green intellectual capital on ROI. Taking into account these descriptions and explanations, the hypothesis can be stated as follows *H6: Transparency can moderate the relationship between sustainability accounting and financial performance based on ROI ratio.*

3. Methods

The object of this study is the financial statements of financial sector companies for the year 2020-2022 listed on the IDX. There were 43 companies that were used as samples to conduct research from a total of 45 company populations that were selected by purposive sampling. The number of research years is 3 years so that 129 data samples were collected using Eviews-12. The hypothesis in this study uses a multiple regression model.

Financial performance is proxied by ROE, ROA, ROI while sustainability accounting is measured based on the Sustainability Reporting Standard (Reference POJK N0.51/POJK.03/2017, GRI Standard Index, SASB and SUSBA) where each item disclosed by the company is given a score of 1 and vice versa if not disclosed by the company is given a score of 0.

4. Results and Discussion

The results of the descriptive statistical test show that the sustainability accounting variable has a minimum value of 0.48, a maximum value of 1 and a standard deviation of 0.121. The Y variable of financial performance proxied with ROE has a minimum value

of -1.23, a maximum value of 9.738 and a standard deviation of 1.02, while financial performance proxied with ROA has a minimum value of -0.18, a maximum value of 0.08 and a standard deviation of 0.02, and financial performance proxied with ROI has a minimum value of -0.93, a maximum value of 96.6 and a standard deviation of 9.59.

Table 1. Descriptive Statistical Test Results

	X1 (SR)	Y1 (ROE)	Y2 (ROA)	Y3 (ROI)	Z (TRANSP)
Mean	0.901395	0.140907	0.002946	0.825829	0.950899
Median	0.940000	0.037000	0.006000	-0.612000	0.957000
Maximum	1.000000	9.738000	0.084000	96.66000	1.000000
Minimum	0.480000	-1.239000	-0.181000	-0.936000	0.778000
Std. Dev.	0.121094	1.024871	0.029645	9.597166	0.038785
Skewness	-2.172301	8.042943	-2.421833	8.423588	-1.335754
Curtosis	7.847678	70.27285	15.24429	80.25836	5.486966
Jarque-Bera	227.7686	25716.10	931.9379	33608.16	71.60553
Probability	0.000000	0.000000	0.000000	0.000000	0.000000
Sum	116.2800	18.17700	0.380000	106.5320	122.6660
Sum Sq. Dev.	1.876949	134.4461	0.112493	11789.52	0.192548
Observations	129	129	129	129	129

Source: Secondary Data processed, 2024

Table 2. Results of t-Test and ROE Determination Coefficient

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.016554	0.633962	4.758255	0.0000
X1	-3.190217	0.691408	-4.614085	0.0000
Root MSE	0.700858	R-squared		0.144494
Mean dependent var	0.075734	Adjusted R-squared		0.137757
S.D. dependent var	0.760691	S.E. of regression		0.706355
Sum squared resid	63.36509	F-statistic		21.45010
Durbin-Watson stat	1.166129	Prob(F-statistic)		0.000009

Source: Secondary Data processed, 2024

Based on Table 2, the results of the study show that sustainability accounting has a significant influence on Return on Equity (ROE). This is indicated by the significance value of the sustainability accounting variable (X1) of 0.0000, which is smaller than the significance level of $\alpha = 0.05$. Therefore, the hypothesis that sustainability accounting affects ROE (H1) is accepted. An Adjusted R-squared value of 13.7% indicates that this model can account for 13.7% variation in ROE. Although this is a relatively low percentage, these results indicate a significant influence of sustainability accounting on ROE. This is consistent with the theory of legitimacy and the theory of signaling, which states that companies that are transparent in sustainability reporting are seen as more responsible and ethical. This can increase investor confidence, which in turn can improve a company's financial performance such as ROE. In other words, the better the quality of a company's disclosures in sustainability accounting, the higher the ROE that the company can achieve.

Table 3. Results of t-Test and ROA Determination Coefficient

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.020948	0.024071	-0.870279	0.3866
Accountant Sustainability (X1)	0.026508	0.026613	0.996043	0.3221
Root MSE	0.018283	R-squared		0.616680
Mean dependent var	0.002946	Adjusted R-squared		0.422765
S.D. dependent var	0.029645	S.E. of regression		0.022523
Akaike info criterion	-4.483517	Sum squared resid		0.043121
Schwarz criterion	-3.508077	Log likelihood		333.1868
Hannan-Quinn criter.	-4.087176	F-statistic		3.180155
Durbin-Watson stat	1.862727	Prob(F-statistic)		0.000003

Source: Secondary data processed 2024

Based on Table 3, the results of the study show that sustainability accounting does not have a significant influence on Return on Assets (ROA). This is shown by the significance value of the sustainability accounting variable (X1) of 0.3221, which is greater than the significance level of $\alpha = 0.05$. Thus, the hypothesis that sustainability accounting affects ROA (H2) is rejected. An Adjusted R-squared value of 42.2% indicates that the model can account for 42.2% of the variation in ROA, while the rest is explained by other factors outside the model. While this indicates a better relationship compared to the model for ROI, these results nonetheless show that sustainability accounting variables do not directly affect ROA. this can be due to the high initial costs required to implement sustainability accounting practices and the complexity of measuring their impact on ROA. High initial investment costs can reduce a company's bottom line, while the benefits of sustainability practices are often not immediately apparent in the form of increased ROA, especially in the short term.

Table 4. t-Test Results and ROI Determination Coefficient

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	7.650475	6.670048	1.146989	0.2535
Accountant.Sustainability (X1)	-7.571201	7.301577	-1.036927	0.3017
Root MSE	7.957317	R-squared		0.008438
Mean dependent var	0.540011	Adjusted R-squared		0.063000
S.D. dependent var	8.022257	S.E. of regression		8.019728
Sum squared resid	8168.137	F-statistic		1.080720
Durbin-Watson stat	1.640958	Prob(F-statistic)		0.000512

Source: Secondary data processed 2024

Based on Table 4, the results show that sustainability accounting does not have a significant influence on Return on Investment (ROI). This is evidenced by a significance value of 0.3017, which is greater than the significance level of 0.05. In addition, an Adjusted R-squared value of 6.3% showed that the sustainability accounting variable was only able to account for 6.3% of the variation in ROI, while the other 93.7% of the variation was due to other factors that were not included in the model. Although legitimacy theory and signaling theory suggest that sustainability accounting practices can improve investor confidence and company profitability, the study found no evidence that it directly increases ROI. This is due to the significant cost of implementing

sustainability practices, benefits that may only be seen in the long term, and the allocation of resources for sustainability that can reduce the liquidity available to other investments that more directly impact revenue.

Table 5. Results of the Transparency Moderation Test on Sustainability Accounting on ROE

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	36.59835	15.39937	2.376614	0.0198
Accountant Sustainability (X1)	-40.57927	17.07631	-2.376349	0.0198
Transparency (Z)	-36.88365	16.87884	-2.185200	0.0317
M1	40.94114	18.60719	2.200286	0.0306

Source: Secondary data processed 2024

The results of the moderation test in Table 5 show that transparency significantly moderates the relationship between sustainability accounting (sustainability report) and Return on Equity (ROE). The coefficient of interaction between transparency and sustainability accounting (M1) is 40.94114, with a t-statistic of 2.200286 and a probability value (p-value) of 0.0306, which is less than 0.05. This shows that transparency has a significant moderating effect on the relationship between sustainability accounting and ROE. transparency acts as a quasi-moderator, which means transparency not only strengthens the relationship between sustainability accounting and ROE, but also has an independent influence on ROE. The negative coefficient of the sustainability accounting variable (-40.57927) suggests that, independently, sustainability accounting may have a negative impact on ROE. However, when transparency is high, the positive effects of transparency can reverse this impact, thereby increasing the company's ROE. Therefore, these results emphasize the importance of transparency in strengthening the positive impact of sustainability accounting on the company's financial performance. The higher the quality of the company's disclosure in the sustainability report and the more transparent the company is in reporting its sustainability practices, the greater the increase in ROE that can be obtained. According to legitimacy theory, transparency strengthens a company's legitimacy in the eyes of stakeholders, thereby increasing their trust and support. Meanwhile, based on signaling theory, transparency serves as a positive signal to investors, demonstrating the company's commitment to sustainable practices and good governance. Both theories suggest that transparency not only strengthens the positive impact of sustainability accounting on financial performance, but also has a significant independent influence on ROE. The more transparent a company is in reporting on its sustainability practices, the greater the increase in ROE that can be obtained.

Table 6. Results of the Transparency Moderation Test on Sustainability Accounting against ROA

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.175190	0.502985	-0.348301	0.7285
Accountant.Sustainability (X1)	0.196187	0.557759	0.351741	0.7259
Transparency (Z)	0.169163	0.551309	0.306839	0.7597
M2	-0.185624	0.607762	-0.305422	0.7608

Source: Secondary data processed 2024

Based on Table 6, the results of the regression analysis show that transparency does not moderate the relationship between Sustainability Accounting and Return on Assets (ROA). This is indicated by the significance value of the interaction variable (M2) of 0.7608, which is greater than the significance level of $\alpha = 0.05$. Therefore, the hypothesis that transparency moderates the relationship between sustainability accounting and ROA (H5) is rejected. Transparency in this context acts as a Moderator Homologizer, which means that transparency does not have a significant influence in influencing the relationship between sustainability reports and ROA. This shows that while companies increase transparency in their sustainability reporting, this does not directly affect the company's financial performance as measured through ROA. This indicates that the impact of transparency may be more relevant in influencing other financial performance, such as Return on Equity (ROE), or in non-financial aspects, such as corporate reputation or investor confidence. For this reason, further research is suggested to explore the role of transparency in other contexts, both in different industries and in varying economic conditions, to understand its impact more comprehensively.

Table 7. Results of the Transparency Moderation Test on Sustainability Accounting on ROI

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	307.1785	150.3142	2.321654	0.0438
Accountant.Sustainability (X1)	-347.9853	166.3621	-2.321652	0.0235
Transparency (Z)	-327.3489	165.9635	-1.632154	0.0359
M3	370.3681	181.3521	2.436525	0.0265

Source: Secondary data processed 2024

Based on Table 7, the results of the regression analysis show that transparency significantly moderates the relationship between sustainability accounting and Return on Investment (ROI). This is evidenced by the significance value of the interaction variable (M3) of 0.0265, which is smaller than the significance level of $\alpha = 0.05$. Therefore, the hypothesis that transparency moderates the relationship between sustainability accounting and ROI (H6) is accepted. Transparency acts as a pure moderator, which means transparency strengthens the relationship between sustainability accounting and ROI. While sustainability accounting itself does not have a significant direct influence on ROI, increased transparency in sustainability reporting can increase ROI. This shows that companies that improve the quality of disclosure in sustainability reports and maintain a high level of transparency are seen as more reliable and accountable by investors. As a result, investor confidence increases, which then drives an increase in investment and the company's financial performance, especially in terms of ROI. Transparency in sustainability disclosure not only improves the perception of a company's legitimacy but also serves as a strong signal to investors about the company's management and long-term prospects. This explains why transparency can strengthen the relationship between sustainability accounting and ROI, even though sustainability accounting itself may not have a significant direct impact on ROI. The higher the quality and transparency of the sustainability report, the greater the potential for increased ROI for the company.

5. Conclusion

This study analyzes the influence of sustainability accounting on financial performance, with transparency as a moderator, on financial companies on the IDX for the 2020-2022 period. This study found that quality sustainability reports, especially

when accompanied by high transparency, can increase the Return on Equity of financial companies on the IDX. Investors and customers value transparency and commitment to sustainability, which ultimately increases the company's value. Although it has not had a direct impact on Return on Assets, companies still need to continue investing in sustainability practices to reap long-term benefits. The sample of this study is limited to financial sector companies, namely banks listed on the Indonesia Stock Exchange (IDX) during the 2020-2022 period, which may not represent the entire financial industry and other sectors.

Further research is suggested to expand the scope of the research to other industry sectors outside of financial sector companies in Indonesia to see the generalization of results in a broader context. Further research is also recommended to increase the length of the research period. By extending the research period, e.g. covering five years, researchers can obtain a more comprehensive picture of the long-term impact of sustainability accounting practices and transparency on the financial performance of companies and also make it possible to observe changes in trends and dynamics that may arise as sustainability practices in these companies evolve. In addition, further research is suggested to consider other variables that may play a role in strengthening or weakening the relationship between sustainability accounting, transparency, and financial performance. For example, variables such as corporate governance, company size, or external factors such as macroeconomic conditions and government regulations can be important factors that moderate or mediate the relationship. By including these additional variables, the study can provide a more comprehensive picture of the factors influencing the relationship between sustainability accounting, transparency, and financial performance.

Further research can also explore more diverse measurement methods for research variables. For example, in measuring transparency, researchers can use qualitative approaches such as content analysis of sustainability reports or surveys to stakeholders to gain a deeper perspective on the quality and impact of transparency. Additionally, researchers can consider a longitudinal approach to looking at the changes and evolution of sustainability and transparency accounting practices over time.

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