EFFECT OF PUBLIC PERCEPTION ON SUSTAINABLE ACCOUNTING AND CORPORATE PERFORMANCE IN NIGERIA

By

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ABSTRACT
This study investigates the relationship between sustainable accounting practices and corporate performance, focusing on how sustainability initiatives intersect with value creation, stakeholder satisfaction, investor reactions, and overall company performance. Utilizing survey research design, data was collected through structured questionnaires administered to selected participants directly involved in sustainability reporting within their organizations. A sample size of 105 respondents from different sectors of the Nigerian economy was sampled (private and government workers with finance and accounting background). The descriptive statistics was used to analyze the data for the study. The result of the findings revealed that there is a growing awareness and recognition among the public that sustainability practices are important for a company's success and can have positive impacts on brand reputation and consumer perception. Positive perception of sustainable accounting and its impact on both stakeholder satisfaction and shareholder profitability. The table suggests that the public perceives sustainable accounting as a key driver of corporate performance and an important consideration for investors. The study finds that sustainability practices have a positive and significant effect on corporate performance. Stakeholder satisfaction and investor relations was found to have a positive and insignificant effect on corporate performance. The study recommends based on the findings that companies should develop a comprehensive sustainability strategy outlining their goals for environmental, social, and governance issues. Integrating sustainability into core business operations, integrating it into values, culture, and decision-making processes, ensures long-term commitment and success.
Keywords: *Public perception, sustainability accounting and corporate performance.*

INTRODUCTION
Businesses are under increasing pressure to implement sustainable practices that strike a balance between social duty, economic prosperity, and environmental responsibility in today's globalized and ecologically concerned society. This change calls for a change in financial reporting, which gives rise to sustainable accounting methods. These approaches go beyond traditional financial reporting by including environmental, social, and governance (ESG) factors into financial disclosures and decision-making processes. Corporate governance, social sustainability, and environmental sustainability are only a few of the many activities that are included in sustainability practices. Reducing a

business's environmental footprint includes cutting back on waste, energy use, and greenhouse gas emissions, among other things. Promoting social justice, human rights, and labor policies that protect the wellbeing of employees are all parts of social sustainability. Social and green innovation, on the other hand, refers to the creation and application of creative solutions that suggest conceptual, procedural, product, or organizational changes for people, communities, and the environment (Xie et al., 2019; Saunila et al., 2018; Alonso-Martínez et al., 2019; Osburg & Schmidpeter, 2013).

According to Alonso Martínez et al. (2019), social and green innovation is an initiative that can effectively reduce social problems while also improving environmental welfare and well-being through proper governance that addresses issues of equality, diversity, and well-being. It can also improve energy efficiency, pollution prevention, waste recycling, and environmental management—all of which are crucial for sustainability practices. Corporate governance entails establishing policies and practices that encourage moral behavior, accountability, and transparency.

Nowadays, a company's financial health is used to determine how successful it is. The performance of an organization may be categorized as non-financial or financial and measured in several ways. Traditional accounting practices prioritize financial performance as measured by several measures, including return on equity (ROE), profits before interest and tax (EBIT), and return on investment (ROI). These financial assessments usually center on the company's profitability, but this is insufficient in and of itself (Charles & Uford, 2023).

It is no longer news that businesses combine various resources to accomplish their goals, and that these endeavors have an impact on the general public and host communities in both positive and negative ways—a phenomenon known as externalities. Positive externalities are not problematic for society, but negative externalities are. These externalities can take many different forms, such as pollution of the air, water, and land. Strong evidence from research indicates that rising global temperatures are a result of increased greenhouse gas emissions, and these temperatures lead to a number of significant climate concerns (Kalesnik et al., 2020). It was because of these issues that sustainability was introduced in the entity.

Sustainable accounting practices have emerged as a crucial tool for leaders to address environmental and societal issues in a situation where organizations and businesses are being held accountable for their environmental and social impact. This is done to prevent businesses from coming under increasing pressure to operate in a more sustainable and responsible manner.

Sustainable accounting is the generation, analysis, interpretation and/or use of accounting information related to the pursuit of sustainable development. (Bebbington & Larrinaga, 2014). The principles of sustainable development, which strongly emphasize integrating environmental, social, and economic issues when making choices, are the basis of sustainable accounting (Schaltegger 2021).

The integration of Environmental, Social, and Governance (ESG) considerations into the financial and decision-making processes is known as sustainable accounting methods. Decision-making bodies within an organization should place a high value on the capacity to research sustainability concerns, since it is essential for businesses operating in a competitive market. Organizations must be careful to pay attention to resource utilization, waste treatment, air emissions, water pollution, employee welfare, and other issues in addition to dealing with intense competition. It is clear that ignoring these problems can harm the company's reputation and impair operations. In Nigeria, characterized by rapid economic growth and a dynamic business environment, companies encounter escalating pressure to incorporate sustainability principles into their operations (Nwagwu, 2016). The country's economic expansion, particularly within sectors like oil and gas, finance, and manufacturing, has amplified the need for responsible business practices (Ogujiuba et al., 2020).

Incorporating non-financial data pertaining to a company's environmental, social, and governance performance, sustainable accounting—also referred to as environmental or social accounting—goes beyond typical financial accounting. It comprises quantifying and disclosing the effects and interdependencies that an organization has on the economy, society, and environment. It recognizes that companies have responsibilities to the environment and the greater society in addition to their shareholders (Cho et al., 2015). According to Gray et al. (2013), corporate performance measures how much a company adds value for its stakeholders while taking non-financial outcomes into account. Top management views corporate performance as a predictor of the company's future course (Rong et al. 2019).

Environmental, social, economic, operational, and innovative performance are all considered aspects of a company's performance. Corporate sustainability, including environmental, social, and governance (ESG) practices, is therefore seen as a source of innovation that functions as an insurance and a tool for risk management, creating value by mitigating costs through improving the control process (Crawford and Nilsson, 2023; Xie et al., 2019). As a result, an increasing number of corporations are now attempting to incorporate sustainability practices into their business actions. Implementing sustainable accounting practices brings about different kinds of benefits to not just organizations but also to their stakeholders. Businesses may recognize and manage sustainability risks, such as resource depletion and climate change, by using sustainable accounting (R. Adams et al. 2016). It gives businesses the capacity to identify and control risks associated with sustainability concerns including resource scarcity, social inequality, and climate change. By learning more about these issues, organizations may create strategic plans to reduce risks and take advantage of new possibilities. The aim of these practices focuses on minimizing the negative effects on social, environmental, and economic issues thereby contributing to societal welfare and building a better world; when this is done, the society clearly benefits from it and do employees and stakeholders. Sustainable accounting procedures, on the other hand, expand the parameters of analysis to encompass the long-term effects of an organization's activities on the environment, society, and its stakeholders.

Statement of the Problem

Global business trends underscore the need of companies integrating sustainability practices within their corporate reporting structure, particularly those related to sustainable development. The usefulness and impact of integrating sustainable accounting techniques on business performance are still being debated, and the concept is still in its infancy. Numerous research studies have substantiated the idea that adopting sustainable practices may lead to improved business success (Luo, X., & Liu, M. 2017). The concept of value creation has been used by academics to define this phenomenon, and the resource-based view and stakeholder theory have also been used to further explain it. Sustainability techniques satisfy all stakeholders by reducing a company's risk and expenses while increasing its revenue and investments. Advocates of the value-creating concept contend that while sustainability initiatives enhance financial performance, they also generate excess resources over time, resulting in a mutually reinforcing relationship. Numerous academics have conducted more research on the subject and contend that more study is necessary to completely comprehend the connection (Ferrero-Ferrero et al., 2016; Surroca et al., 2010). Value-destroying theory is the product of opponents, who use agency, shareholder, and trade-off theories to explain this phenomenon. According to Alshehhi et al. (2018), this means that businesses that care about the environment and society typically prioritize stakeholder pleasure over shareholder revenue. Additional research findings show that investors have not always responded favorably to sustainable policies (Hussain et al., 2018) and that they do not always guarantee financial performance (Martí-Ballester, 2015; Solal & Snellman, 2019).

This work aims to further the discussion on evaluating and projecting the dynamics of sustainable development, particularly in light of the paucity of recent research on this relationship. via integrating and assessing the earlier sustainable practices theoretical framework. The thesis expands the current theoretical framework of sustainability evaluation by attempting to objectively quantify the links among key factors (economic development, social values, resources, and environment) that impact the financial success of businesses. The research's importance is characterized by the need to provide an empirical and theoretical framework for sustainable practice in the transitional phase as well as assessment standards for assessing its impact on the financial health of enterprises. After learning this, it is necessary to conduct a thorough investigation to learn more about the effects of sustainable accounting practices on corporate performance, the connection between a company's capacity for innovation and sustainability performance, the methods used by businesses to adhere to these principles, and the methods for implementing sustainable principles in the social, environmental, and economic spheres.

Research Objectives

The main aim of this study is to help investigate the relationship between sustainable accounting practices and company performances. Specifically, the study will help to:

1. To understand how specific sustainability practices create value for a company and how this value creation affects the company's performance over time.
2. To assess the extent to which corporations prioritize the satisfaction of various stakeholders, including environmental and social concerns, compared to the sole focus on maximizing shareholder profitability.
3. Analyze investors reactions to sustainability disclosures and practices.

Sustainability Accounting

According to Keddie (2023), sustainability accounting entails businesses revealing their efforts to preserve the environment, provide fair working conditions for staff, and treat clients, vendors, and other stakeholders with respect. The measurement, analysis, and reporting of a business's social and environmental consequences is known as sustainability accounting. It has developed into a value-adding approach that takes into consideration social, environmental, and economic variables (Jaspal Singh, 2021). The practice of integrating sustainability issues into organizational strategy, finance, operations, and communications is known as sustainable accounting, and it is one way that accountants may support company resilience (Peter Bakker, 2020). Sustainable accounting serves as a pivotal tool in navigating the intricate interplay between economic prosperity, environmental stewardship, and social equity within organizational contexts (Adams et al., 2021). Fundamentally, sustainable accounting aims to go beyond conventional financial reporting models by including social, economic, and environmental factors into performance evaluations and decision-making procedures (Schaltegger & Burritt, 2018). This multifaceted approach reflects a fundamental shift in organizational ethos, acknowledging that long-term viability necessitates a holistic understanding of value creation and risk mitigation (Dyllick & Muff, 2020).

Established in 1994, John Elkington's Triple Bottom Line (TBL) paradigm is credited with helping to conceptualize sustainable accounting. The TBL framework promotes the idea that social and environmental benefits should be taken into account in addition to financial earnings when determining an organization's performance (Elkington, 1997). By adopting this triple-pronged perspective, businesses are prompted to assess their performance through the lenses of people, planet, and profit. Consequently, the TBL framework has catalyzed a paradigm shift, compelling organizations to embrace sustainability as a strategic imperative rather than a mere corporate social responsibility (CSR) endeavor (Elkington, 1997).

Similarly, the Sustainability Accounting Standards Board (SASB) has `emerged as a leading advocate for industry-specific sustainability reporting standards. Founded in 2011, the SASB endeavors to bridge the gap between sustainability considerations and financial materiality by developing industry-specific standards for disclosing financially material ESG factors (Sustainability Accounting Standards Board, 2020). By aligning reporting standards with industry-specific risks and opportunities, the SASB framework empowers organizations to prioritize sustainability initiatives that are most pertinent to their business context, thereby enhancing the relevance and effectiveness of sustainability reporting practices (Sustainability Accounting Standards Board, 2020).

In essence, the conceptual framework of sustainable accounting embodies a holistic approach to organizational management, transcending conventional boundaries to embrace a broader conception of value creation and accountability. Sustainable accounting frameworks like the TBL, GRI, and SASB serve as essential tools in navigating the complex landscape of sustainability, pointing organizations in the direction of a more responsible and resilient future by incorporating economic, social, and environmental dimensions into financial reporting and decision-making processes.

Empirical Review

Ghisetti and Rennings (2022) recognized the intricacies and subtleties surrounding this subject as they examined the worldwide link between business sustainability and financial success. They carried out a thorough analysis of the literature on the relationship between corporate sustainability and financial performance, examined the various sustainability strategies taken into account in various studies, and assessed the potential impact of the industry context and sustainability's long-term advantages. Because of the variety of practices taken into account, the many approaches used, and the long-term nature of the possible advantages, their research on the relationship between business sustainability and financial performance produced a mixed bag of results. Strong sustainability practices may eventually lead to favorable financial results through increased operational effectiveness, less regulatory risk, and improved brand perception, according to a growing body of research. Because various businesses have distinct sustainability possibilities and problems with diverse financial repercussions, industry context is important when analyzing the link between sustainability and financial performance. They arrived at the conclusion that, despite the fact that the research landscape yields contradictory results, there appears to be a general trend that links sound sustainability practices to enhanced financial success. Understanding the intricacies and elements unique to a certain sector is essential to appreciating the long-term financial advantages of strong corporate sustainability strategies.

In their study, "Sustainability Reporting Practice and Financial Performance of Listed Industrial Goods Firms in Nigeria," Iheduru and Okoro (2021) looked at the relationship between listed industrial goods firms' financial performance and sustainability reporting practices. They also analyzed the potential financial benefits of robust sustainability reporting and evaluated the contribution of sustainability reporting to improving accountability and transparency within the business. Using data from Nigerian listed industrial goods companies, they used a quantitative research approach to examine the financial performance of businesses with different levels of sustainability reporting practices and look into potential mechanisms through which sustainability reporting might affect financial outcomes. They discovered that companies that actively report on their sustainability efforts may see improved financial outcomes through attracting environmentally and socially conscious investors and enhancing customer loyalty. They also discovered that sustainability reporting can contribute to increased transparency and accountability within a company, potentially leading to better decision-making and improved operational efficiency. Finally, they discovered that there may be a positive relationship between the profitability of listed industrial goods firms in Nigeria and sustainability reporting. They came to the conclusion that listed industrial products companies in Nigeria may profit financially from sustainability reporting methods. Although more investigation is required to pinpoint the precise elements generating these advantages, the results indicate that strong sustainability reporting can enhance financial performance across a number of channels.

Chiu, Wong, and He (2011) looked at the connection between a company's financial success and its environmental reporting policies. They discovered a favorable association after analyzing data from 33 earlier investigations. This means that companies that disclosed more information about their environmental impact, such as pollution levels, resource consumption, and waste management strategies, tended to have better financial results. This shows that a company's financial line may benefit from environmental stewardship in addition to the environment.

Waddock and Graves (2015) carried out an extensive assessment, looking at a sizable collection of 180 research that investigated the relationship between a company's financial success and its social responsibility reporting. Their research, however, presented a nuanced picture. There has been conflicting evidence in the literature about the relationship between social responsibility reporting procedures and financial performance. Some studies found a favorable correlation between the two, while others found no discernible or consistent relationship. This mixed bag of results highlights the ongoing debate and need for further research in this area. A company's industry, the social responsibility practices it prioritizes, or the effectiveness with which it communicates its social activities are just a few examples of the variables that may have an impact on how social responsibility reporting affects financial performance.

Dhaliwal et al. (2017) explored a particular facet of corporate openness. Their attention was drawn to ESG disclosure, which includes the environmental, social, and governance activities of a business. Their study looked at how investors' responses to a company's earnings announcements—important pieces of information that have a big impact on stock prices—are influenced by this disclosure. Interestingly, they found that companies with higher levels of ESG disclosure experienced a buffering effect on their stock prices.

During times of bad news, such as lower-than-expected earnings, companies with more ESG transparency saw less negative movement in their stock price. Conversely, when a company with high ESG disclosure had positive earnings news, investors reacted even more enthusiastically, leading to larger positive stock price movements. This implies that a company's environmental and social responsibilities might be improved by ESG disclosure, which could also boost investor trust and possibly result in a more responsive and stable stock price.

In examining the business case for sustainability, Horváthová (2017) went beyond environmental responsibility and its effect on a company's bottom line. She discovered possible advantages connected to sustainable practices and reporting, such as cost savings, enhanced brand recognition, and access to new markets, through research of the literature and case studies. Cost savings could come from reduced waste, optimized resource use, and improved energy efficiency. A strong sustainability focus can also lead to a better brand reputation, attracting customers who value these practices. Finally, some markets and investors prioritize sustainability, so companies with sustainable practices and reporting can position themselves to enter new markets or attract investment specifically focused on ESG factors. Horváthová's research suggests that sustainability is not just about doing good, but a strategic approach with the potential to deliver real financial benefits.

The world of creditworthiness and how a company's environmental, social, and governance (ESG) activities could affect it were the subjects of a research by El Ghoul et al (2011). They focused on S&P 500 companies, a respected benchmark for large publicly traded corporations in the United States. By analyzing data from these companies, they discovered a significant trend: companies with higher ESG disclosure scores, meaning they were more transparent about their environmental impact, social responsibility efforts, and governance practices, tended to have lower credit risk. In simpler terms, companies that prioritized sustainability and communicated it openly appeared to be financially more reliable and less likely to default on loans. This suggests that strong sustainability practices can be a double win: good for the environment and society, and also good for a company's ability to borrow money at favorable rates.

In Adams (2016) focused on integrated reporting. By combining financial and nonfinancial data into a single report, this method goes beyond conventional financial statements. Through a review of existing research, Adams identified several potential benefits of integrated reporting. Firstly, it can improve communication with stakeholders. By presenting a more holistic view of the company, stakeholders like investors, employees, and customers can gain a better understanding of the company's strategy and performance across various aspects. This fosters transparency and trust. Secondly, integrated reporting can enhance decision-making. By considering both financial and non-financial factors, companies can make more informed strategic choices that account for environmental and social impacts alongside financial goals. Ultimately, Adams suggests that integrated reporting has the potential to contribute to value creation for the company. Research on a clear connection between financial success and integrated reporting is still developing, though. To establish the influence on a company's bottom line with certainty, more research is required.

Luo and Wang (2017) investigated the relationship between a company's financial health and corporate social responsibility (CSR), with a particular emphasis on cost effectiveness. Their research, published in 2017, involved analyzing data from 70 prior studies. What they discovered was a positive correlation. In simpler terms, companies with strong CSR practices, such as ethical labor standards, environmental responsibility, and community engagement, tended to be more cost-efficient. This suggests that CSR isn't just about social good; it can also lead to better resource management. By implementing CSR initiatives, companies might reduce waste, optimize resource use, and improve overall operational efficiency. This translates to cost savings, potentially improving a company's financial performance.

Wu et al. (2014) set out to explore the connection between a specific human resource management approach and a company's financial success. This approach is called green human resource management (GHRM), and it focuses on employee engagement with sustainability practices within the organization. Through a two-pronged research approach, Wu et al. conducted a literature review to examine existing research on GHRM and financial performance. Then, in order to support the general conclusions, they used meta-analysis, a statistical method that incorporates data from several research. Their findings demonstrated a beneficial relationship between enhanced financial performance and GHRM procedures. This implies that there are a number of advantages that businesses may experience when they adopt GHRM programs that promote employee involvement with sustainability. For example, a focus on sustainability can encourage more innovative work from employees, which can result in the creation of new goods, services, or workflows that boost the bottom line of the business. Additionally, a more engaged and sustainability-focused workforce might experience higher morale and commitment, potentially leading to increased productivity and efficiency. GHRM practices may be a strategic tool for businesses to improve their financial performance in addition to achieving their sustainability goals, according to Wu et al. (2014) study.

Diffusion of Innovation Theory

The notion of diffusion of innovation studies how novel concepts, methods, and technological advancements proliferate and are incorporated into a community over time (Rogers, 2003). According to diffusion of innovation theory, adopting and implementing sustainable accounting practices follows a pattern of diffusion, beginning with innovators and early adopters and eventually reaching a wider audience of organizations in the context of sustainable accounting practices (Rogers, 2003). By understanding the factors that influence the diffusion of sustainable accounting practices, such as perceived benefits, compatibility with organizational values, and availability of resources, researchers can elucidate the adoption process and its implications for organizational performance and sustainability outcomes (Rogers, 2003).

These theoretical frameworks provide insightful viewpoints on how sustainable accounting methods are adopted, put into practice, and affect corporate performance. Researchers can get a deeper understanding of the mechanisms, motives, and contingencies underlying the link between sustainable accounting practices and company results by incorporating concepts from agency theory, legitimacy theory, and diffusion of innovation theory.

Methodology

The survey research design is employed in the study. The survey research design allows the researcher to collect data from a large and diverse sample of participants. This is important for the study of public perception as it provides a representative view of the population‘s views and opinions. By reaching a large number of participants, survey research design ensures the study has a higher external validity, meaning that the findings can be generalized to the larger population.

The population for the study focused diverse groups such as government workers, private and self-employed which informs the public perception. The sample size for this study would be approximately 100 participants, with an equal representation from each industry sector. This number is considered sufficient to provide a reliable and accurate representation of the population's opinions and attitudes towards sustainable accounting and corporate performance. The inclusion criteria for the sample were individuals who are working professionals, have knowledge and experience in the field of accounting and finance, and are residing in Nigeria. The instrument for data collection was the questionnaire which was administered online via google form. the Cronbach Alpha test was employed to test the reliability of the research instrument (.820). The data was analyzed using the descriptive statistics regression analysis.

Data Presentation and Analysis

Data Presentation

The data analyses were completed using the percentage table and were based on field data that was gathered. The questionnaire's section A and section B questions served as the basis for the analyses. One hundred (100) copies of the questionnaire were sent to the participants; all of the copies were collected from the participants and utilized in the analysis. The demographic data was presented in tables and percentages; tables are the most appropriate way to evaluate data for ease of comprehension.

Demographic Characteristics of the Respondents

Table 4.1: Analysis of Gender of the Respondents

Gender	Frequency	Percentages %
Male	14	14%
Female	86	86%
Total	**100**	**100%**

Source: Fieldwork Survey, 2024

According to table 4.1 above, 86 percent of respondents are female and just 14 percent of respondents are male. This suggests that women make up the majority of the responders.

Table 4.2: Analysis of Age Distribution of the Respondents

Age	Frequency	Percentages %
18-20 years	6	6%
21 – 25 years	46	46%
25 – 30 years	46	46%

31 years and above	2	2%
Total	**100**	**100%**

Source: Fieldwork Survey, 2024

According to table 4.2 above, 6% of respondents are between the ages of 18 and 20, 46% are between the ages of 21 and 25, and 25% are between the ages of 25 and 30, and 2% are older than 31.

Table 4.3: Analysis of Educational Qualifications

	Frequency	**Percentage**
SSCE	0	0%
BSc./HND	87	87%
Masters	13	13%
Total	**100**	**100%**

Source: Fieldwork Survey, 2024

Based on table 4.3, none of the respondents are SSCE holders, 87% of the respondents are Bsc/HND holders while 13% are Masters holders.

Table 4.4: Analysis of Marital Status

	Frequency	**Percentage**
Single	86	**86%**
Married	14	14%
Total	**100**	**100**

Source: Fieldwork Survey, 2024

Based on table 4.4, 86% of the respondents were single, 14% of the respondents were married, none of the respondents were Divorced, widower, widows and in a complicated relationship.

Descriptive Statistics

Research Question 1: How does the concept of value creation intersect with sustainability practices and how do these practices influence a company's performance over time?

Table 4.5: Responses on Value Creation through Sustainability Practices and Corporate Performance

		SA	A	D	SD
1	Our company actively seeks opportunities to create value through sustainable	67(67%)	33(33%)	-	-

	practices.				
2	The integration of sustainability practices enhances our company's competitive advantage in the long term.	73(73%)	27(27%)	-	-
3	Sustainability initiatives positively impact our company's brand reputation and consumer perception.	60(60%)	-	27(27%)	13(13%)
4	Our company considers environmental and social factors when making strategic decisions.	33(33%)	67(67%)	-	-
5	Sustainable practices lead to cost savings and efficiency improvements within our company	33(33%)	33(33%)	34(34%)	-

Source: Field Survey, 2024

Based on table 4.5, 67 (67%) of the respondents strongly agree that our company actively seeks opportunities to create value through sustainable practices. Similarly, 73 (73%) strongly agree that the integration of sustainability practices enhances our company's competitive advantage in the long term. 60 (60%) of the respondents strongly agree that sustainability initiatives positively impact our company's brand reputation and consumer perception. Nevertheless, 13 (13%) strongly disagree and 27 (27%) disagree with this assertion. When it comes to strategic decision-making, 33 (33%) and 67 (67%) of the respondents strongly agree that our organization takes social and environmental considerations into account. Of the respondents, 33 (33%) strongly agreed that sustainable activities result in cost savings and efficiency gains, while another 33 (33%) agreed that such advantages flow from sustainable practices. But 34 people, or 34%, disagree with this assertion.

Research Question 2: Do corporations prioritize stakeholders‘ satisfaction (including environmental and social concerns) over shareholder profitability?

Table 4.6: Responses on Stakeholder Satisfaction and Shareholder Profitability

	SA	A	D	SD
Our company prioritizes satisfying the needs of various stakeholders, including employees, communities, and the environment	73(73%)	27(27%)	-	-
Balancing stakeholder satisfaction often results in trade-offs with shareholder profitability.	53(53%)	33(33%)	-	14(14%)
Environmental and social concerns are given equal importance to shareholder profitability in decision-making processes.	47(47%)	47(47%)	6(6%)	
Our company believes that long-term shareholder value is intrinsically linked to meeting the expectations of all stakeholders.	40(40%)	53(53%)	-	7(7%)
Pursuing stakeholder satisfaction leads to enhanced brand loyalty and trust, ultimately benefiting shareholder profitability.	40(40%)	54(54%)	-	

Source: Field Survey, 2024

Based on table 4.6, 73 (73%) of the respondents strongly agree that our company prioritizes satisfying the needs of various stakeholders, including employees, communities, and the environment. Additionally, 27 (27%) agree with this statement. Regarding the trade-offs between stakeholder satisfaction and shareholder profitability, 53 (53%) of the respondents strongly agree that balancing stakeholder satisfaction often results in trade-offs with shareholder profitability. In the meantime, 14 (14%) strongly disagree and 33 (33%) agree. When it comes to decision-making procedures, 47 (47%) of the respondents strongly agree and another 47 (47%) agree that environmental and social considerations are given equal weight with shareholder profitability. Six (6%) people, nevertheless, disagree with this assertion. Regarding the inherent connection between achieving long-term shareholder value and satisfying the expectations of all stakeholders, forty (40%) and fifty-three (53%) of the participants expressed strong agreement. Seven people, or 7%, strongly disagree. Forty (40%) of the participants firmly concur that prioritizing stakeholder pleasure results in increased brand loyalty and trust, which eventually boosts shareholder profitability. Furthermore, 6 (6%) strongly disagree with this statement, while 54 (54%) agree with it.

Research Question 3: Do investors react positively to sustainability practices?

Table 4.7: Responses on Investors Reactions to Sustainability Practice and corporate performance

Investors view companies with strong sustainability practices as more attractive investment opportunities. Companies with a focus on sustainability tend to receive higher valuations from investors. The financial performance of companies is positively influenced by investor confidence in their sustainability efforts. Investors consider sustainability reports and disclosures when making investment decisions. Sustainability metrics are increasingly becoming a key factor in investment analysis and portfolio management.

SA	A	D	SD
40(40%)	60(60%)	-	-
47(47%)	47(47%)	6(6%)	-
6(6%)	25(25%)	20(20%)	49(49%)

Source: Field Survey, 2024

Table 4.7 shows that, among respondents, 40 (40%) strongly agree and 60 (60%) agree that investors find more appealing investment prospects in firms with effective sustainability standards. Of the respondents, 47 (47%) strongly agreed and another 47 (47%) agreed that investors will value firms that prioritize sustainability highly. Six (6%) people, nevertheless, disagree with this assertion. Regarding the impact of investor trust in sustainability initiatives on financial success, 6 (6%) and 25 (25%) of the participants expressed significant agreement. On the other hand, 49 (49%) strongly disagree and 20 (20%) disagree with this statement. When it comes to investing decisions, 46 (46%) and 54 (54%) of the respondents highly agree and agree that investors should take sustainability reports and disclosures into account. Regarding the increasing importance of sustainability metrics in investment analysis and portfolio management, 34 (34%) of the respondents strongly agree, while 66 (66%) agree with this statement.

Regression Analysis

Table 4.8: Summary of Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	2.789	.481		5.79	.000
	Sustainability practices	.164	.111	.222	1.67	.043
	Stakeholder Satisfaction	.034	.109	.047	-.315	.753
	Investor Relations	.068	.112	.062	.604	.548
a. Dependent Variable: Corporate performance						

The table presents the results of a multiple regression analysis exploring the relationship between sustainability practices, stakeholder satisfaction, and investor relations on corporate performance as measured by public perception. The regression model used is represented as:

Corporate Performance = 2.789 + 0.164 (sustainability practices) + 0.034 (stakeholder satisfaction) + 0.068 (investor relations).

The unstandardized coefficient (B) for sustainability practices is 0.164, indicating that for every one unit increase in sustainability practices, corporate performance is estimated to increase by 0.164 units. Similarly, for every one unit increase in stakeholder satisfaction, corporate performance is estimated to increase by 0.034 units, and for every one unit increase in investor relations, corporate performance is estimated to increase by 0.068 units.

The last two columns show the results of the statistical test for each independent variable. The t-value represents the calculated ratio of the mean difference divided by its standard error, and the associated p-value (Sig.) indicates the probability of obtaining this result by chance alone. In this case, only the t-value for sustainability practices is statistically significant at a 95% confidence level ($p < 0.05$). This means that there is a significant positive relationship between sustainability practices and public perception of corporate performance.

Overall, the results of this regression analysis suggest that companies with better sustainability practices are perceived more positively by the public in terms of their overall corporate performance. Stakeholder satisfaction and investor relations also have a small but positive influence on public perception of corporate performance. These findings highlight the importance of considering sustainability practices in the overall performance of a company, as it not only has a positive impact on the environment and society but also on the perception of the company by the public.

Discussion of Findings

There is a growing awareness and recognition among the public that sustainability practices are important for a company's success and can have positive impacts on brand reputation and consumer perception Positive perception of sustainable accounting and its impact on both stakeholder satisfaction and shareholder profitability.

The findings regarding public perception on sustainable accounting and corporate performance are in line with existing literature and studies that highlight the growing importance of sustainability in the corporate world. In recent years, there has been a growing interest in sustainable accounting to measure and report on a company's social and environmental performance, in addition to its financial performance (James, 2015). This shift towards a broader definition of "value" has been driven by a number of factors, including increasing concerns about climate change, social inequality, and resource scarcity (Onyali, 2014; Al-Baghdadi et al., 2021).

One of the key reasons for the positive public perception of sustainable accounting and its link to corporate performance is the increasing awareness and understanding of sustainability issues among the general public. In a study by Cone Communications, it was reported that 87% of consumers said they would purchase a product because a company advocated for an issue they cared about (Rahmawati et al, 2020). This indicates that consumers are now looking beyond the traditional indicators of corporate success, such as financial performance, and are paying more attention to a company's impact on society and the environment.

Moreover, a study by Dasmaran et al. (2022) found that 66% of global consumers are willing to pay more for products and services from companies committed to positive social and environmental impact. This suggests that consumers are not just aware of sustainability issues, but are also willing to act on their beliefs and values by supporting companies that align with their own values. This has put pressure on companies to not only adopt sustainable practices, but also to communicate these efforts transparently through sustainable accounting practices.

Furthermore, the positive perception of sustainable accounting and its impact on corporate performance is supported by stakeholder theory. According to this theory, companies have a responsibility to not only maximize profits for shareholders, but also to create value for all stakeholders, including customers, employees, communities, and the environment (Gold & Taib, 2020; Onyali, 2014). Therefore, companies that adopt sustainable practices and report on them in a transparent and accountable manner are seen as fulfilling their responsibilities to all stakeholders, which can lead to increased stakeholder satisfaction and ultimately, improved corporate performance.

Contrary to the findings, some studies have shown that there is still a lack of understanding and appreciation for sustainable accounting and its impact on corporate performance among the general public. For instance, a study by Chen et al. (2020) found that only 29% of global investors consider sustainability factors when making investment decisions. This suggests that while there is a growing awareness of sustainability issues, many investors are still prioritizing financial performance over environmental and social performance.

Moreover, some studies have also found that the public's perception of corporate sustainability efforts may not always align with the reality. A study Lusiana et al. (2021) found that many companies engage in "greenwashing," where they overstate their sustainability efforts in order to improve their public image. This can lead to a disconnect between public perception of a company's sustainability practices and the actual impact it has on the environment and society.

The finding suggests that the public perceives sustainable accounting as a key driver of corporate performance and an important consideration for investors.
The study finds that sustainability practices have a positive and significant effect on corporate performance. Stakeholder satisfaction and investor relations was found to have

a positive and insignificant effect on corporate performance.

The findings of this study are consistent with previous research that has found a positive relationship between sustainable accounting practices and corporate performance. For example, a meta-analysis by Wei et al. (2020) found that companies with strong sustainability performance tend to have higher financial performance, market valuation, and lower cost of capital. Similarly, a study by Ali et al. (2020) found that companies with better environmental, social, and governance (ESG) performance have higher financial performance compared to their peers.

This positive relationship between sustainability practices and corporate performance can be explained by different theories. One theory is stakeholder theory, which suggests that companies that effectively manage their relationships with stakeholders, including the environment, employees, and the community, will have better performance and long-term success (Waheed & Zhang, 2022; Gold & Taib, 2020). Sustainable accounting practices, which consider the impacts of the company on all its stakeholders, align with this theory and result in improved corporate performance.

Moreover, the positive perception of sustainable accounting as a driver of corporate performance can also be linked to the legitimacy theory. This theory suggests that companies need to comply with societal expectations and norms to maintain their legitimacy in the eyes of stakeholders (Jha & Rangarajan, 2020; Yoon & Chung, 2018). As sustainable accounting practices are increasingly becoming a societal norm, companies that adopt these practices are perceived to be more legitimate, leading to positive effects on their performance.

However, some studies have found contrary results regarding the relationship between sustainable accounting and corporate performance. For instance, a study by Phan et al. (2020) found a negative impact of sustainable accounting on financial performance, mainly due to the high cost of implementing and maintaining sustainable practices. This finding is consistent with the cost-effectiveness theory, which suggests that companies may experience short-term financial costs when implementing sustainable practices, which can negatively affect their performance (Freeman, 2014; Esteban-Sanchez et al., 2017).

Furthermore, the study also found a positive but insignificant relationship between stakeholder satisfaction and investor relations with corporate performance. This finding is supported by a study by Eccles and Serafeim (2013), which found that although stakeholder satisfaction and investor relations have a positive impact on financial performance, this relationship is weak and not significant. This can be explained by the competing demands theory, which highlights the challenges that companies face when balancing the needs and expectations of different stakeholders (Epstein & Roy, 2011).

Overall, the findings of this study add to the literature by highlighting the important role of sustainable accounting practices in driving corporate performance. However, the varying results in previous studies also suggest that several factors, such as the industry, location, and size of the company, can influence the relationship between sustainable accounting and corporate performance. Therefore, it is crucial for companies to carefully consider their unique context and develop tailor-made sustainable accounting strategies that align with their stakeholders' expectations and needs.

Conclusion

The study reveals a positive perception of sustainable accounting and its impact on corporate performance among the public. The public recognizes the importance of sustainability practices in driving corporate success, seeing them as a key factor in stakeholder satisfaction and shareholder profitability. The public's perception of businesses has evolved from focusing solely on financial performance to recognizing the importance of environmental protection, social responsibility, and ethical business practices. The majority of respondents acknowledge the role of sustainable accounting in driving corporate performance. The study found a significant positive correlation between sustainability practices and corporate performance, indicating that companies prioritizing sustainability are more likely to perform better in financial, social, and environmental aspects. These findings have important implications for businesses, as they suggest that adopting sustainable accounting practices can lead to better overall performance and positively impact stakeholder satisfaction and investor relations. This is especially relevant in today's business landscape, where investors and consumers are becoming increasingly conscious of the environmental and social impact of the companies they support.

Recommendations

Based on the findings the following were recommended:

- Create a sustainability strategy: Businesses should develop a clear and comprehensive sustainability strategy that outlines their goals and objectives for environmental, social, and governance (ESG) issues. This will help align the company's efforts towards sustainability and provide a framework for measuring and reporting their progress.
- Integrate sustainability into core business operations: Sustainability should be integrated into the company's core business operations and not seen as a separate aspect. It is essential to embed sustainability into the company's values, culture, and decision-making processes to ensure long-term commitment and success.
- Engage with stakeholders: Businesses should actively engage with their stakeholders, including employees, customers, investors, and communities, to understand their expectations and concerns regarding sustainability. This will help in building trust and support for the company's sustainability efforts.
- Implement sustainable accounting practices: Companies should adopt sustainable accounting practices, such as environmental and social impact assessments, life-cycle assessments, and sustainability reporting, to gain a better understanding of their ESG performance and areas for improvement.

Suggestions for Further Studies

- Carry out long-term research to investigate how sustainable accounting techniques affect business success over the long run. Long-term performance metrics tracking can yield more in-depth understanding of the sustainability-performance link.
- Analyze how sustainable accounting methods affect performance in many sectors to find patterns and issues unique to your field.
- Enhance my writing skills by using qualitative research techniques like focus groups and interviews with quantitative data to better understand the mechanisms behind the link between sustainability and business success.
- Extend the study's reach beyond a specific area to investigate regional and national differences in the uptake and effects of sustainable accounting methods.

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