

The Need for Enhanced Coverage of Sustainability Reporting in Tertiary Education: Perceptions of Accounting Students from Private Universities in Malaysia

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In the traditional system of reporting, only the financial results are discussed without focusing on the environmental and social impacts of organizational practices. However, this stance is changing with climate change and sustainability key themes in society and finance which in turn fuel the need for financial reporting to cover the environmental, societal, and economic impacts of a business. Several organizations tend to implement sustainability reporting (SR) due to the reason that those kinds of reports are expected to improve the perceptions of their stakeholders as they provide information about an organization's performance together with its sustainability efforts. This results in increasing the customers' and the employees' loyalty, as well as enhancing the investors' goodwill and their readiness in providing funds. Based on previous research, it is observed that the level of the corporate sustainability disclosures differs significantly across countries in the Asia-Pacific region, with some countries having the highest rates of sustainability disclosures while others remain in their infancy. One of the Asian countries which has limited observed uses of corporate sustainability disclosures is Malaysia, which combined with a lack of research in the area. This has highlighted the need for research to explore how accountant students perceive sustainability reporting. As future accountants, their understanding of these issues will impact the implementation and the development of SR. This research aims to explore accounting students' perspectives of SR and investigate the role of tertiary education providers in developing graduates' attitudes and knowledge regarding SR. Using semi-structured interviews with 20 final year undergraduate and postgraduate accounting students from three different private universities, the research revealed that accounting students lacked the knowledge regarding sustainable development (SD) and SR, and that the accountants' role in SR was dependent on the decisions of organization's management and/or the pressure from stakeholders. A majority of the respondents were aware of the importance of SR with the universities identified as not necessarily embedding sufficient coverage of sustainability issues in the curriculum, which in turn affected the students' knowledge of SR. The accounting students believed that universities, industry, and the government have individual and collective responsibility to ensure students had a deeper and more fundamental knowledge base of SD and SR. Based on the findings, this research suggests that more effort should be placed to focus on increasing the awareness regarding SR in order to ensure that graduate accountants have the knowledge necessary to compete in the labour market, a market which is increasingly emphasizing the importance of the environment and sustainability when they graduate. The research contributes to the existing literature in the field of accounting, and it takes research forward with regards a better understanding of accounting students' perceptions of sustainability, SD and SR in Malaysia.

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