

# **Asian Journal of Business and Accounting**

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*To be a top-tier and a well-cited business and accounting journal in Asia*

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*An academic journal that aims to advance knowledge in the business and accounting disciplines, to narrow the gap between theory and practice, and to set direction for policy initiatives in Asia*

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## Editors' Note

The *Asian Journal of Business and Accounting* (AJBA) is proud to present its first issue of Volume 14, which comprises papers written by scholars from Malaysia, Lebanon, Jordan, Indonesia, Australia and China. This issue presents ten papers that discuss an array of challenges faced by businesses due to global economic changes and social development.

The recent Covid-19 outbreak, which has been declared a global pandemic by the World Health Organisation has had a huge impact on business sustainability. With subsequent lock down and social-distancing restrictions coming into play, it becomes clear that digital technology is vital for the survival of businesses. In fact, it has become the game changer. Reflecting on this issue, our first paper by Barbosa, Mahdavi, Oliveira and Chkoniya looks into how the perfume retailers could turn to digital commerce as a platform to market their products. The paper reveals that competitive pricing, enjoyable online experiences, and wide varieties of perfumes are some of the attributes that could attract consumers to switch to the online medium. In the paper following this, Sleilati and Sfeir explore the potentials of social media platforms, such as Facebook and Instagram, as a new marketing channel. While many firms in Lebanon find more comfort in using traditional means to communicate their brands to customers, the need to move towards social media is inevitable, not only because of Covid-19, but because technology demands so. The paper demonstrates that while the value co-creation behaviours of customers could stimulate online customer loyalty in the context of social media, its success depends on customers' brand experiences, which might be fostered through trust and commitment. In the auditing context, Allbabidi discloses the importance of digital technology as a useful tool in facilitating Jordanian auditors, especially within a big data environment. The importance of digital technologies in today's environment has also led to the need for transforming the accounting education. There is an urgency for higher educational institutions to integrate technology into their relevant accounting courses. At the basic level is Excel application. In the fourth paper, Irafahmi and Williams investigate the perceptions of undergraduate accounting students in using Excel in an auditing course. From interviews conducted, they indicate agility and undesirability as central to their experiences of using Excel in auditing. The global

Covid-19 pandemic has also left its traces on the financial market. In the next paper, Chin illustrates that personality, demographic factors, and investment behaviours affect the trading frequency in the Malaysian stock market during the Covid-19 pandemic.

In addition to the Covid-19 pandemic, the Asian businesses are also affected by the global financial crisis. Realising the prevalence of this scenario, the sixth paper by Boo, Chan and Ali investigates the effect of firm-specific factors on dividend payout options of Malaysian non-financial listed firms during the pre-crisis, crisis and post-crisis periods. This was analysed using multinomial regression in the context of the catering theory, the signalling theory and the smoothing hypotheses approach. The magnitude of the world's financial crisis has also accelerated the need for the accounting sector to reform the auditing approach. In the following paper, Kim and Xi examine the impact of audit partner rotation on audit quality in China. There has also been much discussions on the importance of management control systems. The eighth paper by Nani and Safitri demonstrates that for Indonesian firms to compete in the internationally competitive market, they need to implement a well-designed formal management control system. However, as a developing country that is heavily influenced by socio-cultural effects, the effectiveness of the system is still influenced by leadership characteristics.

With increased concerns building on sustainability development goals, there is also a need for firms to supplement their standard financial accounting and reporting with some elements of sustainability reporting. The subsequent paper by Ngu and Amran reveals that while many listed companies in Malaysia disclose some amount of material sustainability information, the level of disclosure remains relatively low. Factors such as board activity and board independence play a significant role in the determination of materiality disclosure. The importance of sustainability, from the social perspective, is also highlighted in the paper by Maryam, Sule, Joeliaty and Ariawaty. The paper suggests that while health, safety and well-being of the working population is an important condition for attaining sustainable development goals, the poor basic occupational health facilities in developing countries, such as Indonesia, may discourage the world from achieving the goals. The paper mentions that in a high-risk environment, such as the sewage cleaning sector, the management's commitment to provide a safe workplace surrounding will not only promote good well-being,

but will also lead to high employee engagement, thereby supporting organisational citizenship behaviour.

The papers compiled in this issue highlight the fact that businesses are currently operating within a volatile, uncertain, and complex environment that is threatening their sustainability. For their survival, businesses need to be agile, flexible, and resilient. It is believed that the ideas and recommendations offered in this issue could serve as important guidelines for firms to respond to the emerging risks. As a note of conclusion, we also take this opportunity to thank the Malaysian Accountancy Research and Education Foundation as well as the Malaysian Ministry of Higher Education for the financial support provided thus far. We also wish to express our appreciation to the members of the editorial and advisory boards as well as the reviewers for their time and effort put into AJBA.

Happy reading!

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