

Editorial Notes

Issues on Social and Environmental Accounting

The new millennium saw the emergence of a new way of thinking about the functions and duties of modern corporations. The growing international demands for companies to be more transparent and accountable for their economic, social and environmental impacts everywhere they operate. Corporate managers are pressed with more responsibility to serve the needs of society at large. Today, businesses are expected not only to increase their bottom line but also to operate within the 'new moral marketplace'. Corporate morality is increasingly being judged by consumers, investors and employees. Terms that are alien to many a few years ago such as 'green marketing', 'environmentally friendly', 'gender sensitive', 'fair trade', 'against animal testing' and many more become household words and high on consumers' conscience of today. Beyond that, global issues like, the oil crisis, environmental degradation, human rights, labour issues and energy issue forced the companies to reconsider their objectives. Instead of just trying to maximize profit and please their shareholders, many multinational corporations are beginning to understand that they now have a broad spectrum of stakeholders. This includes investors, creditors, employee, governments, NGOs and the various communities in which they operate. Businesses have to satisfy all these stakeholders' needs, thus have an additional role and purpose.

Hence, the term corporate social responsibility (CSR) was born.

Whilst CSR in the seventies and eighties are more towards meeting society's expectations, and earn from society the informal 'license to operate', disclosing such information falls under the task of Corporate Public Relation Department. The information provided understandably would be more of an image enhancer to communicate and demonstrate a company's commitment to improve social performance. In today's world the whole question of business and environmental sustainability has emerged to the forefront with the ravages of climate change and global warming. This increasingly calls for companies to align their CSR strategies to sustainability so that sustainable practices can be further enhanced. With greater consumer sophistication and expectation for sustainability development, CSR is gaining competitive advantage in terms of market share, attracting top talent and employee retention. Well focussed and managed CSR initiatives should improve relationship with stakeholders and yield better financial results through sustainable innovation, investment and decision making. Thus, there is the need for the accounting fraternity to step in to provide information such as long-run profitability, sustainability, social and environmental investment, improved performance and

many more. Beyond that, the accounting profession, academics, researches as well as the practitioners need to play a bigger role of not only providing data for disclose but also the quality and the assurance of the data provided.

Therefore, it is imperative that *Issues on Social and Environmental Accounting* be published to provide an avenue for accounting academics, researchers as well as practitioners to publish their findings and serves a platform for intellectual discourse. As can be seen from the articles published, this journal is indeed an international journal without diminishing local flavour. Even though some of the articles are country specific, authors from various countries like Japan, Malaysia, Indonesia and Canada discuss issues that are internationally relevant, interconnected and comprehensive. These issues such as Ethics, Environmental, Social, Disclosures, Sustainability, Performance, to name a few, all related to the 3 Ps' (Profit, Planet and People) and the Triple Bottom Line, are scrutinised and deliberated in the articles.

Through the years, CSR has evolves and comes in variety of approaches. None-

theless, its characteristics remain unaffected. Companies are starting to realize that adopting socially responsible behaviour and voluntary course of action can provide long-term interests. CSR is also essentially tied to the concept of sustainable development. It promotes integration of economic, social and environmental outcomes in standard management and accounting systems. Therefore CSR should be continuously driven to higher levels to build on existing practice, optimizing its impact and making a positive link between social responsibilities and best business practices. A truly effective CSR strategy should be alive, adaptable and embedded into the organisation and aligned to the commercial objectives of the organisation. These strategies must then be implemented and practices, followed by reporting and disclosing them to the various stakeholders.

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