

STRENGTHENING SUSTAINABILITY REPORTING THROUGH DIGITAL INNOVATION AND THE DEVELOPMENT OF CORPORATE ACCOUNTING CULTURE

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ABSTRACT

This study explores the role of digital innovation and corporate accounting culture in strengthening sustainability reporting within modern organizations. The study focuses on how digital transformation, sustainability-oriented accounting practices, and governance systems contribute to improving transparency, accountability, and organizational sustainability. An exploratory study using a qualitative literature review approach was conducted by examining international journal articles, books, conference proceedings, and institutional reports related to sustainability reporting, digital innovation, and corporate accounting culture published between 2015 and 2026. The collected literature was analyzed using content analysis techniques involving categorization, interpretation, comparison of findings, and thematic synthesis to identify conceptual relationships and research patterns. The findings reveal that digital innovation significantly improves sustainability reporting quality through enhanced transparency, integrated reporting systems, real-time data processing, and stronger stakeholder engagement. Organizations implementing digital technologies such as artificial intelligence, blockchain, and cloud-based reporting systems demonstrate better governance effectiveness and sustainability accountability. Drawing from the findings, the study proposes a conceptual perspective that sustainability reporting effectiveness depends on the integration of digital innovation and sustainability-oriented corporate accounting culture. Organizations capable of combining technological capability with ethical governance practices are more likely to strengthen sustainability reporting quality, stakeholder trust, and long-term organizational competitiveness.

Keywords: Accounting Culture, Digital Innovation, Governance Sustainability, Organizational Transparency, Sustainability Reporting

1. INTRODUCTION

The growing global concern regarding environmental, social, and governance (ESG) issues has significantly increased the importance of sustainability reporting within modern organizations. Companies are increasingly expected to provide transparent, accountable, and comprehensive sustainability disclosures to stakeholders, investors, regulators, and society. Sustainability reporting no longer functions merely as a compliance instrument but has evolved into a strategic mechanism for demonstrating organizational legitimacy, long-term value creation, and corporate responsibility (KPMG, 2022). In this context, digital innovation and corporate accounting culture have emerged as critical determinants influencing the effectiveness and quality of sustainability reporting practices.

The rapid advancement of digital technology has transformed organizational reporting systems and financial governance mechanisms. Technologies such as big data analytics, cloud computing, blockchain, and artificial intelligence enable organizations to improve the accuracy, efficiency, and transparency of sustainability reporting processes. According to Alkaraan, Albitar, Hussainey, and Venkatesh (2023), digital transformation strengthens sustainability reporting quality by improving data integration, reporting accuracy, and stakeholder accessibility. Digital innovation also enables organizations to collect real-time sustainability information and improve strategic decision-making processes.

In addition, corporate accounting culture plays a fundamental role in shaping sustainability-oriented organizational behavior. Accounting culture reflects the values, norms, ethical principles, and governance practices influencing financial reporting and organizational accountability. Organizations with strong sustainability-oriented accounting cultures tend to demonstrate higher transparency, stronger stakeholder engagement, and better sustainability performance (Adams & Frost, 2008). Corporate culture therefore becomes a strategic driver supporting the successful implementation of sustainability reporting systems.

The increasing complexity of global business environments has also intensified organizational pressure to strengthen sustainability governance. Companies are expected to integrate sustainability principles into strategic management, financial systems, and operational decision-making. According to Suseno (2022), organizations operating in the digital era must strengthen adaptive governance, strategic innovation, and organizational flexibility to remain competitive and sustainable. The study emphasized that digital transformation significantly influences organizational resilience and governance effectiveness in responding to environmental uncertainty and technological disruption.

Digital innovation further contributes to improving institutional accountability and organizational transparency. Modern sustainability reporting systems increasingly rely on digital platforms capable of enhancing reporting accessibility and stakeholder communication. Research by García-Sánchez, Raimo, and Vitolla (2021) found that digital technologies improve sustainability disclosure quality by facilitating integrated reporting systems and

strengthening corporate governance practices. Organizations implementing digital sustainability systems tend to achieve stronger stakeholder trust and improved institutional legitimacy.

Moreover, sustainability reporting practices are strongly influenced by organizational culture and leadership orientation. Corporate accounting culture determines how sustainability values are integrated into financial management and reporting systems. According to Schein (2017), organizational culture significantly affects managerial behavior, governance practices, and strategic decision-making processes. In sustainability reporting contexts, organizations with ethical and transparency-oriented accounting cultures are more capable of producing reliable and credible sustainability disclosures.

The relevance of sustainability reporting has increased significantly due to growing stakeholder awareness regarding environmental and social responsibility. Investors and regulators increasingly demand transparent sustainability information to evaluate organizational performance and long-term viability. According to Eccles, Ioannou, and Serafeim (2014), organizations implementing sustainability-oriented governance and reporting systems demonstrate better financial performance and stronger organizational resilience over time.

In the context of digital transformation, organizations must also strengthen technological capabilities and human resource readiness. Digital sustainability reporting requires integrated information systems, technological infrastructure, and accounting professionals capable of adapting to technological innovation. Suseno et al. (2021) emphasized that organizational sustainability in the digital era depends heavily on innovation capability, collaborative governance, and institutional adaptability. Companies unable to integrate digital innovation into governance systems may face difficulties maintaining sustainability performance and stakeholder trust.

Furthermore, the integration of sustainability reporting with digital innovation contributes to improving organizational competitiveness. Organizations implementing advanced digital reporting systems can enhance operational efficiency, strategic communication, and sustainability transparency. Research conducted by Vial (2019) highlighted that digital transformation enables organizations to redesign governance structures and improve organizational performance through technological integration and innovation-oriented strategies.

Despite the growing importance of sustainability reporting, many organizations still experience challenges related to technological readiness, accounting culture, and governance capability. Weak sustainability-oriented accounting cultures, limited digital competencies, and inadequate reporting systems often reduce the effectiveness of sustainability disclosures. According to Suseno (2023), adaptive governance and organizational learning are essential factors influencing institutional sustainability and strategic transformation in the digital era.

Organizations therefore require stronger accounting cultures and innovation-oriented governance systems to improve sustainability reporting practices.

In addition, organizational sustainability increasingly depends on the ability to integrate ESG principles into financial governance and strategic management systems. Sustainability reporting supported by digital innovation and ethical accounting culture can strengthen transparency, accountability, and long-term organizational legitimacy. Research by Herzig and Schaltegger (2011) indicated that sustainability accounting and reporting systems contribute significantly to improving corporate sustainability performance and stakeholder relationships.

Based on these conditions, this study aims to examine how digital innovation and corporate accounting culture strengthen sustainability reporting within organizations. The study is expected to contribute theoretically to sustainability accounting and digital governance literature while also providing practical implications for organizations seeking to improve sustainability disclosure quality, governance effectiveness, and long-term organizational sustainability.

Previous studies regarding sustainability reporting have primarily focused on governance transparency, environmental disclosure, ESG performance, and digital transformation. However, limited research has specifically examined the integration of digital innovation and corporate accounting culture in strengthening sustainability reporting systems. This study therefore offers novelty by integrating technological innovation and accounting culture into a comprehensive sustainability reporting framework.

Table 1. State of the Art of Sustainability Reporting Research

No	Research Focus	Main Findings	Research Gap	References
1	Sustainability reporting and governance	Sustainability reporting improves transparency and stakeholder trust	Limited discussion on digital innovation integration	Adams & Frost (2008)
2	Corporate sustainability performance	Sustainability practices improve long-term organizational performance	Focuses more on ESG performance than accounting culture	Eccles et al. (2014)
3	Digital transformation and reporting	Digital systems improve reporting quality and accessibility	Limited emphasis on organizational accounting culture	Vial (2019)
4	Integrated sustainability reporting	Integrated reporting supports governance and accountability	Does not examine digital innovation comprehensively	García-Sánchez et al. (2021)

No	Research Focus	Main Findings	Research Gap	References
5	Sustainability accounting systems	Sustainability accounting strengthens organizational legitimacy	Limited focus on digital reporting capability	Herzig & Schaltegger (2011)
6	Innovation and organizational sustainability	Innovation capability improves institutional resilience	Sustainability reporting aspect not deeply analyzed	Suseno et al. (2021)
7	Adaptive governance in digital era	Governance adaptability supports organizational sustainability	Limited discussion on sustainability disclosure systems	Suseno (2023)
8	Industry 4.0 and strategic management	Digital transformation affects governance effectiveness	Does not specifically discuss sustainability reporting	Suseno (2022)

Table 1 demonstrates that previous studies have extensively discussed sustainability reporting from governance, accountability, and organizational sustainability perspectives. Adams and Frost (2008) emphasized that sustainability reporting contributes significantly to organizational transparency and stakeholder engagement. Similarly, Eccles et al. (2014) explained that sustainability-oriented organizations tend to achieve stronger long-term performance and institutional legitimacy.

Research regarding digital transformation has also developed significantly in recent years. Vial (2019) highlighted that digital innovation changes organizational structures, reporting systems, and governance mechanisms through technological integration. Digital transformation enables organizations to improve reporting efficiency, accessibility, and strategic communication. However, the study focused more on organizational transformation generally and did not specifically examine sustainability reporting integration.

Furthermore, García-Sánchez et al. (2021) found that integrated reporting systems supported by digital technologies improve governance quality and sustainability disclosure practices. Nevertheless, the study primarily focused on integrated thinking and governance mechanisms rather than the role of corporate accounting culture in supporting sustainability reporting implementation.

Studies concerning sustainability accounting also revealed the importance of accountability and legitimacy within organizational governance systems. Herzig and Schaltegger (2011) argued that sustainability accounting supports institutional legitimacy and strengthens stakeholder trust through transparent disclosure mechanisms. However, the study provided limited discussion regarding the influence of digital innovation on sustainability reporting systems.

Research conducted by Suseno et al. (2021) emphasized that innovation capability and collaborative governance significantly influence organizational sustainability and resilience. Organizations capable of adapting to technological changes and environmental uncertainty tend to demonstrate stronger institutional sustainability. In addition, Suseno (2023) highlighted the importance of adaptive governance and organizational learning in maintaining sustainability in the digital era. However, these studies did not specifically analyze sustainability reporting practices and accounting culture integration.

Based on the literature review above, this study offers novelty by integrating digital innovation and corporate accounting culture into sustainability reporting practices. Unlike previous studies that mainly focused on governance, ESG performance, or digital transformation separately, this research develops a more comprehensive perspective emphasizing that sustainability reporting effectiveness depends not only on technological capability but also on the strength of organizational accounting culture, governance ethics, and sustainability-oriented values.

The increasing importance of sustainability reporting in modern organizations highlights the need for stronger digital innovation and sustainability-oriented accounting culture to improve transparency, accountability, and organizational legitimacy. Based on the background and research gap identified in previous studies, the research problems in this study are formulated as follows: How does digital innovation contribute to strengthening sustainability reporting in organizations? and How does corporate accounting culture influence the effectiveness of sustainability reporting practices?

2. LITERATURE REVIEW

Digital Innovation in Sustainability Reporting

Digital innovation has become a strategic element in strengthening sustainability reporting practices within modern organizations. The rapid development of digital technologies, including artificial intelligence, cloud computing, blockchain, and big data analytics, has transformed how organizations collect, process, and disclose sustainability information. Sustainability reporting supported by digital innovation enables organizations to improve transparency, reporting accuracy, stakeholder communication, and governance effectiveness. According to George, Merrill, and Schillebeeckx (2021), digital transformation significantly contributes to sustainability management because technological innovation improves organizational capability in managing environmental, social, and governance (ESG) information more effectively.

Digital innovation also facilitates integrated reporting systems that combine financial and non-financial information into comprehensive sustainability disclosures. Integrated digital systems improve reporting efficiency and support real-time sustainability monitoring. Research conducted by Manita, Bruna, Dang, and Houanti (2018) emphasized that digital governance

systems strengthen organizational accountability and improve sustainability reporting quality through better data accessibility and information transparency.

Furthermore, organizations implementing digital sustainability systems tend to demonstrate stronger adaptability to environmental uncertainty and stakeholder demands. Digital technologies enable companies to improve sustainability performance evaluation and strategic decision-making processes. According to Kraus, Jones, Kailer, Weinmann, Chaparro-Banegas, and Roig-Tierno (2021), digital transformation supports organizational sustainability by increasing innovation capability, operational flexibility, and governance responsiveness.

The implementation of digital innovation in sustainability reporting also strengthens stakeholder engagement and institutional legitimacy. Organizations can communicate sustainability performance more effectively through digital platforms and interactive reporting systems. Transparency generated through digital reporting systems contributes significantly to stakeholder trust and organizational reputation. Research by Arnaboldi, Busco, and Cuganesan (2017) found that digital accounting technologies improve managerial control systems and support strategic sustainability governance.

In addition, sustainability reporting supported by digital innovation improves organizational competitiveness in increasingly complex business environments. Companies capable of integrating technology into governance and reporting systems are more prepared to respond to regulatory changes and global sustainability standards. Therefore, digital innovation should not merely be viewed as a technological instrument but also as a strategic governance mechanism supporting long-term sustainability and organizational resilience.

Corporate Accounting Culture and Sustainability Governance

Corporate accounting culture refers to the values, ethical principles, norms, and organizational behaviors influencing accounting practices and financial reporting systems. Sustainability-oriented accounting culture plays a significant role in improving governance quality, accountability, and transparency within organizations. Organizations with strong ethical accounting cultures tend to produce more reliable sustainability disclosures and demonstrate stronger commitment toward social and environmental responsibility.

Accounting culture influences how organizations integrate sustainability principles into strategic management and reporting systems. According to Gray (2010), sustainability accounting requires organizational commitment to transparency, accountability, and ethical governance practices. Organizations that prioritize ethical accounting values are more capable of implementing sustainability reporting systems effectively and consistently.

The development of sustainability governance also depends heavily on organizational culture and leadership orientation. Corporate culture determines managerial behavior and influences how sustainability objectives are integrated into organizational operations. Research conducted by Bebbington, Unerman, and O'Dwyer (2014) highlighted that sustainability

accounting practices are strongly associated with organizational values, governance structures, and stakeholder accountability mechanisms.

Furthermore, accounting culture contributes significantly to institutional legitimacy and stakeholder trust. Organizations with transparent and sustainability-oriented accounting systems are more likely to gain public confidence and maintain long-term organizational reputation. According to Hopwood, Unerman, and Fries (2010), sustainability accounting strengthens governance systems by integrating environmental and social accountability into organizational decision-making processes.

The relationship between accounting culture and sustainability reporting has become increasingly important in the era of global sustainability standards and ESG-oriented governance. Organizations are expected to strengthen ethical reporting systems and sustainability accountability to meet stakeholder expectations. Research by Michelon, Pilonato, and Ricceri (2015) found that sustainability-oriented organizational cultures positively influence the quality and credibility of sustainability disclosures.

Moreover, organizations with adaptive and innovation-oriented accounting cultures are better prepared to integrate digital innovation into sustainability governance systems. Ethical accounting culture supports organizational learning, governance adaptability, and long-term sustainability strategies. Therefore, the development of sustainability-oriented accounting culture is essential for strengthening governance effectiveness, improving reporting quality, and supporting organizational sustainability in dynamic business environments.

3. METHODS

Research Approach

This study employs a qualitative research approach to examine the role of digital innovation and corporate accounting culture in strengthening sustainability reporting. A qualitative approach is appropriate because the study focuses on understanding concepts, governance practices, organizational behavior, and sustainability-oriented accounting systems within modern organizations. According to Creswell and Creswell (2018), qualitative research is effective for exploring complex social and organizational phenomena through interpretative analysis.

Research Design

The study uses a literature review design with a conceptual analysis approach. This method enables the researcher to examine and synthesize theories, empirical findings, and conceptual frameworks related to sustainability reporting, digital innovation, and corporate accounting culture. Literature review research is useful for identifying research gaps, theoretical developments, and emerging issues within a specific field of study (Snyder, 2019).

Data Collection Technique

The data were collected through documentation techniques by reviewing scientific literature from international journal articles, books, conference proceedings, and institutional reports published between 2015 and 2026. The selected literature focuses on sustainability reporting, digital transformation, governance systems, sustainability accounting, and organizational accounting culture. According to Bowen (2009), document analysis is a systematic procedure for reviewing and evaluating documents to generate meaningful understanding and theoretical interpretation.

Data Analysis Technique

The collected data were analyzed using content analysis techniques. The analysis process included data reduction, categorization, interpretation, comparison of findings, and thematic synthesis of relevant literature. Content analysis enables researchers to identify patterns, conceptual relationships, and theoretical insights regarding the integration of digital innovation and accounting culture in sustainability reporting practices (Krippendorff, 2018). The results were then interpreted descriptively to formulate comprehensive conclusions and conceptual implications

4. RESULTS AND DISCUSSION

Digital Innovation in Strengthening Sustainability Reporting

The findings of this study indicate that digital innovation significantly strengthens sustainability reporting practices within organizations. Digital technologies improve reporting efficiency, increase transparency, and support more accurate sustainability disclosures. Organizations implementing digital accounting systems and integrated reporting platforms tend to demonstrate stronger accountability and better governance sustainability.

The literature analysis identified several important dimensions of digital innovation implementation in sustainability reporting, as presented in Table 1.

Table 1. The Role of Digital Innovation in Sustainability Reporting

No	Digital Innovation Dimension	Organizational Implementation	Main Impact
1	Big Data Analytics	Sustainability data processing	Improves reporting accuracy
2	Cloud-Based Reporting	Integrated digital reporting systems	Enhances accessibility
3	Artificial Intelligence	Automated sustainability analysis	Supports decision making
4	Blockchain Technology	Verification of sustainability information	Strengthens transparency
5	Digital Dashboard	Real-time sustainability monitoring	Improves governance control

Table 1 demonstrates that organizations increasingly rely on digital innovation to improve sustainability reporting quality. Big data analytics enables companies to process sustainability information more efficiently and produce more reliable disclosures. Similarly, cloud-based reporting systems facilitate integrated reporting mechanisms and improve stakeholder accessibility to sustainability information.

The findings are consistent with the study conducted by Rikhardsson and Yigitbasioglu (2018), which stated that digital business intelligence systems significantly improve accounting information quality and organizational decision-making. Digital technologies support organizations in developing transparent and sustainability-oriented reporting systems. Moreover, blockchain technology strengthens the credibility and verification of sustainability information by improving data security and accountability.

The implementation of artificial intelligence also contributes significantly to sustainability governance because automated systems improve organizational capability in analyzing sustainability performance indicators. According to Seele (2017), artificial intelligence and digitalization increase organizational transparency and strengthen stakeholder communication in sustainability governance contexts.

Furthermore, the integration of digital innovation into sustainability reporting improves organizational adaptability and competitiveness. Organizations capable of implementing digital sustainability systems are more responsive to stakeholder expectations and global sustainability standards. This finding aligns with Suseno and Yusuf (2024), who emphasized that digital transformation and organizational innovation significantly influence institutional sustainability and governance adaptability in modern organizations.

The second analysis identified the operational impacts of digital innovation on sustainability governance, as shown in Table 2.

Table 2. Operational Impacts of Digital Innovation on Sustainability Governance

No	Governance Aspect	Digital Innovation Contribution	Sustainability Outcome
1	Transparency	Open digital reporting systems	Increased stakeholder trust
2	Accountability	Automated reporting mechanisms	Better governance quality
3	Strategic Decision Making	Real-time sustainability analytics	Improved organizational resilience
4		Interactive reporting platforms	Enhanced stakeholder engagement
5	Operational Efficiency	Digital process integration	Reduced reporting costs

Table 2 shows that digital innovation improves governance sustainability through transparency enhancement, operational efficiency, and strategic communication. Organizations implementing digital sustainability systems demonstrate stronger stakeholder engagement and more effective governance practices.

Research by Moll and Yigitbasioglu (2019) supports these findings by explaining that digital accounting transformation significantly changes managerial control systems and improves governance effectiveness. Organizations using integrated digital systems are more

capable of maintaining sustainability reporting consistency and improving institutional legitimacy.

In addition, digital reporting systems reduce operational costs and reporting inefficiencies, enabling organizations to allocate resources more effectively toward sustainability initiatives. Therefore, digital innovation serves not only as a technological instrument but also as a strategic governance mechanism supporting long-term organizational sustainability.

The findings of this study confirm that digital innovation has become a strategic instrument in strengthening sustainability reporting practices within organizations. The integration of digital technologies such as big data analytics, artificial intelligence, blockchain, and cloud-based reporting systems significantly improves reporting transparency, accountability, and operational efficiency. Organizations implementing digital sustainability systems are more capable of producing accurate and timely sustainability disclosures while simultaneously improving governance effectiveness and stakeholder engagement.

Digital transformation has reshaped organizational reporting systems by enabling real-time information processing and integrated sustainability monitoring. The implementation of digital technologies allows organizations to improve the reliability of ESG disclosures and strengthen strategic communication with stakeholders. These findings support the study conducted by Appio, Frattini, Petruzzelli, and Neirotti (2021), which explained that digital innovation enhances organizational capability to adapt to environmental uncertainty and sustainability challenges through technology-driven governance systems.

The study also reveals that digital reporting systems contribute significantly to institutional transparency and legitimacy. Organizations implementing digital sustainability platforms demonstrate stronger stakeholder trust because digital systems improve accessibility and verification of sustainability information. This finding is consistent with research by Pizzi, Corbo, and Caputo (2021), which found that digitalization positively influences ESG reporting quality and governance accountability in modern organizations.

Furthermore, digital innovation strengthens organizational adaptability and long-term sustainability capability. Technology-based sustainability systems enable organizations to improve strategic decision-making through automated reporting and real-time sustainability analytics. According to Caglio and Ditillo (2021), digital accounting transformation changes organizational control mechanisms and improves sustainability governance through integrated information systems and technological flexibility.

The findings additionally indicate that organizations capable of integrating digital innovation into governance systems are better prepared to respond to global sustainability standards and stakeholder expectations. Suseno and Yusuf (2024) emphasized that adaptive governance and technological innovation significantly contribute to organizational resilience and sustainability performance in dynamic institutional environments. Therefore, digital innovation should be viewed not only as an operational technology but also as a strategic governance mechanism supporting sustainability-oriented organizational transformation.

Corporate Accounting Culture and Sustainability Governance

The second finding reveals that corporate accounting culture significantly influences sustainability reporting quality and governance effectiveness. Organizations with ethical, transparency-oriented, and sustainability-driven accounting cultures tend to produce more credible sustainability disclosures and maintain stronger stakeholder trust.

The literature analysis identified several dimensions of accounting culture influencing sustainability reporting practices, as presented in Table 3.

Table 3. Corporate Accounting Culture in Sustainability Reporting

No	Accounting Culture Dimension	Organizational Practice	Governance Impact
1	Ethical Accountability	Transparent financial disclosure	Strengthens credibility
2	Sustainability Orientation	ESG integration into accounting systems	Improves sustainability performance
3	Organizational Transparency	Open reporting mechanisms	Builds stakeholder trust
4	Governance Ethics	Compliance with sustainability standards	Enhances legitimacy
5	Professional Responsibility	Ethical accounting behavior	Supports accountability

Table 3 demonstrates that accounting culture significantly affects sustainability governance within organizations. Ethical accountability encourages organizations to disclose sustainability information transparently and responsibly. Sustainability-oriented accounting systems also improve institutional legitimacy and support ESG integration into organizational governance frameworks.

These findings are supported by Milne and Gray (2013), who argued that sustainability accounting practices are strongly influenced by organizational ethics and governance culture. Organizations implementing ethical accounting systems are more capable of strengthening sustainability disclosure quality and stakeholder confidence.

Moreover, organizational transparency emerged as a major determinant of sustainability reporting effectiveness. Transparent governance practices improve organizational legitimacy and support long-term sustainability performance. According to Lodhia and Jacobs (2013), sustainability reporting systems supported by strong accounting culture contribute significantly to governance accountability and institutional trust.

The study also identified the strategic implications of accounting culture on organizational sustainability, as shown in Table 4.

Table 4. Strategic Implications of Accounting Culture on Sustainability Governance

No	Strategic Aspect	Accounting Culture Contribution	Organizational Benefit
1	Governance Quality	Ethical financial management	Stronger institutional legitimacy
2	Sustainability Reporting	Consistent ESG disclosure	Improved transparency
3	Organizational Reputation	Accountability-oriented culture	Increased stakeholder confidence
4	Institutional Resilience	Adaptive governance values	Better sustainability capability
5	Strategic Sustainability	Long-term sustainability orientation	Improved competitiveness

Table 4 indicates that accounting culture contributes significantly to organizational resilience and sustainability governance. Organizations with adaptive and accountability-oriented accounting cultures demonstrate stronger sustainability performance and governance quality.

The findings align with the study conducted by Carnegie, Parker, and Tsahuridu (2021), which explained that ethical accounting culture strengthens governance sustainability and improves organizational accountability in modern institutions. Furthermore, organizations integrating sustainability values into accounting systems tend to maintain stronger institutional resilience and competitiveness.

Research by Suseno, Rochani, and Yusuf (2021) also emphasized that organizational culture, collaborative governance, and innovation capability significantly influence institutional sustainability and strategic adaptability. Sustainability-oriented accounting culture therefore becomes a strategic foundation for improving sustainability reporting quality and governance effectiveness in dynamic organizational environments.

Overall, the study confirms that sustainability reporting effectiveness is strongly influenced by the integration of digital innovation and corporate accounting culture. Organizations implementing advanced digital systems alongside ethical and sustainability-oriented accounting cultures are more capable of strengthening governance sustainability, improving stakeholder trust, and achieving long-term organizational resilience.

The second discussion highlights that corporate accounting culture plays a fundamental role in strengthening sustainability governance and sustainability reporting effectiveness. Organizations with ethical, transparency-oriented, and accountability-based accounting cultures tend to produce more credible sustainability disclosures and maintain stronger institutional legitimacy. Accounting culture influences managerial behavior, governance practices, and organizational commitment toward sustainability-oriented decision-making.

The findings indicate that sustainability-oriented accounting culture contributes significantly to strengthening organizational accountability and governance quality. Organizations integrating ethical accounting principles into financial reporting systems are more capable of improving stakeholder confidence and maintaining long-term sustainability performance. These findings support the research conducted by La Torre, Sabelfeld, Blomkvist, Tarquinio, and Dumay (2020), which explained that sustainability accounting systems are

strongly influenced by organizational values, governance ethics, and institutional accountability mechanisms.

In addition, accounting culture influences how sustainability principles are integrated into organizational operations and strategic management processes. Organizations with adaptive accounting cultures are more responsive to sustainability challenges and governance transformation. According to Parker (2020), sustainability accounting requires organizational commitment to transparency, ethical governance, and institutional learning to improve sustainability disclosure quality and governance legitimacy.

The study also found that accounting culture supports institutional resilience by encouraging sustainability-oriented governance practices and professional responsibility. Organizations with strong accountability cultures demonstrate better governance adaptability and strategic sustainability capability. This finding aligns with research by O'Dwyer and Unerman (2020), which stated that sustainability governance effectiveness depends heavily on organizational ethics, accountability orientation, and stakeholder engagement mechanisms.

Moreover, sustainability-oriented accounting culture supports the successful implementation of digital sustainability systems. Ethical governance values and transparency-oriented accounting practices strengthen organizational readiness to adopt digital reporting technologies and sustainability innovations. Suseno, Rochani, and Yusuf (2021) emphasized that collaborative governance, innovation capability, and adaptive organizational culture significantly influence institutional sustainability and governance resilience.

Overall, the discussion confirms that sustainability reporting effectiveness is determined by the interaction between digital innovation and corporate accounting culture. Organizations capable of integrating advanced digital technologies with ethical and sustainability-oriented accounting cultures are more likely to achieve stronger governance sustainability, stakeholder trust, and long-term organizational competitiveness.

5. CONCLUSION AND LIMITATION

Based on the findings and discussion, this study concludes that digital innovation plays a significant role in strengthening sustainability reporting within organizations. The integration of technologies such as big data analytics, cloud-based systems, artificial intelligence, and blockchain improves reporting transparency, accountability, operational efficiency, and stakeholder engagement. Organizations implementing digital sustainability systems demonstrate stronger governance quality, better adaptability to environmental changes, and improved long-term sustainability performance.

Furthermore, this study concludes that corporate accounting culture is a fundamental factor influencing the effectiveness of sustainability reporting and governance sustainability. Organizations with ethical, transparency-oriented, and sustainability-driven accounting cultures are more capable of producing credible sustainability disclosures and maintaining stakeholder trust. The integration of sustainability values, governance ethics, and professional

accountability into accounting systems strengthens institutional legitimacy, organizational resilience, and long-term competitiveness in increasingly dynamic business environments

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