Developing the Concept of Sustainability Accounting Based on the Tacit Knowledge of Managers in Iran

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ABSTRACT

Sustainability accounting and sustainable quality gather companies to develop practical characteristics in individual and social accounting, including accounting ethics for better communication along with efficiency and strategy. This research provided a corporate sustainability accounting model following Putang (2011) by predicting the causal relationship between managers' tacit knowledge and sustainability accounting. Dimensions of managers' tacit knowledge and various structures of sustainability accounting, including ethics, volunteerism, transparency, human capital, and social responsibility reporting is identified and analyzed. The research population was all managers of the studied companies, and a standard questionnaire was used to collect data. The data were analyzed based on the Lineal Structural Relations after reliability and validity tests. The results indicated that managers' tacit knowledge regarding financial and tax issues affected sustainability structures, strengthening corporate sustainability accounting. Therefore, top and middle managers, as well as financial managers, are recommended to pay more attention to the tacit knowledge of managers and include it in their decision-making models because this factor can be a basis for strengthening sustainability accounting

Keywords:

Sustainability accounting, tacit knowledge of managers, social accounting, Structural equation modeling (SEM)

1. Introduction

Corporate sustainability has been an essential issue from the beginning of the 21st century as a positive challenge in economics and commerce to be widely used in the public and social sectors. Increasing attention and demand for transparency and accountability in sustainable development leads managers to ensure that sustainable development balances the positive economy and community pressure against the negative environment and community. Sustainability accounting should express the organization’s economic, social, and environmental effects according to the triple concept. However, traditional accounting focuses only on the financial and economic consequences of commercial activities to maximize shareholder profits. Sustainability accounting has recently emphasized integrating ethics into the community, environment, and economy (Putang, 2011). Ethical and economic behavior can lead to achieving the goal of large companies because ethical behavior can bring economic rewards to companies (Namazi and Rajab Dori, 2017).

The concept of sustainability accounting is practically related to a period in the last 40 years, with the process and foundation resulting from developments in accounting and attention to the concepts. The accounting root is a concept broader than the financial dimensions, raised following its limited and nascent concept over the past few years. This development reveals two independent intellectual attitudes, including philosophical attitude and paying attention to the management perspective regarding various conditions and effective tools for organizational sustainability (Putang, 2011). The philosophical attitude is about the process and role of accountability of organizations and their relationship with sustainable development, which is effective in moving organizations towards sustainability. In this attitude, accounting concepts are designed on an entirely new accounting system, which effectively promotes the sustainability strategy of organizations. Ignoring the need for sustainability in the company creates potential risks of unbearable loads. WorldCom and the collapse of Enron, the Asian Economic Crisis (1977), and the crisis in the USA subsidiaries (2007) stemmed from a lack of sustainability accounting. Therefore, the lack of ethics and transparency in accounting is an important issue (Marzuki et al., 2017). This research aimed to understand corporate sustainability accounting based on managers' tacit knowledge considering the problems in corporate sustainability accounting in the Iranian capital market. In addition, this research tested components that have not been tested in previous research according to studies conducted in Iran to provide a model for corporate sustainability accounting. Therefore, this study seeks to find a suitable model for corporate sustainability accounting in the Iranian capital market. Therefore, the causal relationships between managers' tacit knowledge and corporate sustainability accounting are predicted to introduce a new concept of corporate sustainability accounting. Therefore, the present research result is expected to help managers, financial analysts, investors, and other stakeholders to better understand corporate sustainability accounting based on managers' tacit knowledge to make the right decisions. This research presents theoretical foundations and background of research related to the subject, explains the method and hypotheses derived from the problem and theoretical foundations, describes the test results of hypotheses, and finally expresses conclusions and recommendations.

2. Theoretical framework and literature review

This research follows the legitimacy theory, stakeholder’s theory, ethical theory, and the theory of social responsibility to raise the theoretical foundations.

2.1. Sustainability accounting

The historical background of sustainability accounting was related to 1971-1995 and expressed different topics in different periods. Several experimental studies were conducted in 1971-1980 to provide a model to explicitly support social accounting. Vulnerability of the environment through damage to land, air, water, noise, visual impairments, aesthetics, and other pollution at the community and the environmental level was raised during this period. The contribution of this period in creating extensive developments in the field of social auditing was significant (Hopwood et al., 2010). Studies related to environmental accounting increased in 1981-1990, and a complete mastery of environmental accounting and social responsibility accounting and its relationship with sustainable development of companies was established in 1991-1995 (Wang et al., 2016; Putang, 2011).

Corporate sustainability accounting gathers organizations to develop practical characteristics in the individual and social accounting context, which includes accounting ethics for better communication along with the efficiency and strategy of the company (Keller et al., 2007). Sustainability accounting emphasizes the concepts of social responsibility, accounting ethics, and stakeholders, which include accounting ethical awareness, voluntary accounting proactiveness, transparency accounting, human capital disclosure, and social responsibility reporting.

A) **Accounting ethical awareness**: accounting ethical awareness focuses on ethical values and judgments and decision-making in practice according to accounting principles. Therefore, ethical judgment should be based on competence, confidentiality, honesty, impartiality (Marion and Cengage, 2001). Ethical awareness is an essential element of the accounting profession in which every accountant should have the ethical ability as an essential aspect of the quality of the reported financial information. Therefore, professional accounting firms teach accounting ethical awareness to their members to improve professional ethics (Sernika, 2007). Increasing shareholder confidence in the company should be considered as one of the ethical demands and an essential goal in ethical behaviors (Greening and Turban, 2002; Paterson, 2004; Brammer et al., 2007; Ali et al., 2010).

B) **Voluntary accounting proactiveness**: Voluntary accounting proactiveness (disclosure of accounting information) refers to the decision of a company to provide information or comply with accounting standards (Aragon et al., 2007), which involves policies, procedures, and laws to maintain the company at the highest level of social acceptance and reputation in the market. Today, different companies choose different ways to volunteer to improve environmental management, even beyond the legal requirements, which sometimes leads to improved financial performance and dynamic production of companies (Aragon et al., 2007). In addition, large corporates are committed to their own marketing activities by arranging for disclosingtheir social and environmental information to gain more profit and reputation from volunteering. Disclosure of voluntary accounting proactiveness in large corporates ethically helps shareholders take practical stages to achieve corporate legitimacy. In other words, voluntary accounting proactiveness improves information and better conformity of accounting practices with economic realities (Linch et al., 2007).

C) **Transparency Accounting Mindset**: The International Monetary Fund and United States Securities and Exchange Commission define the transparency accounting mindset as the degree to which information is understandable, comprehensible, and reliable, leading to an efficient market system and rational decision-making. Transparency accounting mindset refers to reliable information that enables users to make accurate decisions, or in other words, accounting transparency includes reliable information that leads to accurate and correct decisions of users, and it is a view of fully disclosing the processes and hypotheses in the preparation of the report. In other words, transparency is the accounting mindset to make accounting activities transparent. Companies use this item for reliable proportionate performance, financial position, investment opportunities, value, and risk. Companies need transparency to avoid stagnation and to meet public expectations (Bushman et al., 2004). Williams (2005) stated that trust transmits transparency in a social context, and it is an influential factor in the interests of the organization and stakeholders in terms of efficiency and effectiveness. In addition, trust is rooted in transparency, employee loyalty, and job satisfaction (Yu, 2005).

D) **Human capital**: refers to education, knowledge, skills, learning, expertise, and experience. Human capital disclosure is defined as disclosing organizational information about employee training, knowledge, learning skills, specializations, and experiences in their tax reporting (Unerman et al., 2008). Huang et al. (2010) stated that the human capital disclosure varies in the form and content of the report, largely voluntary. Adequate disclosure of human capital information is often crucial because it affects a company's ability to hire and retain the best people and creates potential value. Human capital information is an essential component in the company's potential future decisions, and companies that seek to satisfy all investors seeking information to increase market value are beneficial (Huang et al., 2010). Companies complete mandatory financial statements with voluntary disclosures about intellectual capital, including human capital for usefulness in company reports (Xian et al., 2010).

E) **Social Responsibility Report**: this report affects business activity and even the negative factors on employees, social participation, environmental concerns, and other ethical issues. Social responsibility report is becoming more prominent in enhancing environmental performance and improving the work environment and social welfare, which may be the best publicity for a company (Branco and Rodriguez, 2008). Bhattacharya and Sen (2003) stated that there is still a limited understanding of the effect of social responsibility on corporate profits and market value. Therefore, more studies are required to evaluate the effect of social responsibility. In addition, social responsibility supports employees' organizational commitment as a variable about their motivation in the company. Therefore, employees are more affected by social responsibility activities and directly impact the performance and market value of companies when they become committed to the organization (Ali et al., 2010).

2.2. Tacit knowledge of managers

Implicit knowledge that influences decision making is gained through (direct experiences) work experiences and training (indirect experiences). However, the specific experiences of accountants can have several effects on the estimation of parameters and indicators in addition to accounting technical knowledge. Specific experiences affect people's attention to the interpretation of new information and strengthen outcome-based performance assessment and further motivates outcome linkage between outcomes and assessments in subjectivity statements along with output information. Researcher concluded that individuals’ experience simulates the performance of their memory processing and questions the fundamental belief of the competence of assessments based decision-making quality. However, the fundamental beliefs of individuals can limit their learning effectiveness in more complex states when information finds a more detailed mode. Psychological research based on learning of probabilities with multiple symptoms indicated that people do not wish to use all observations based on probabilities with multiple symptoms (Rasman & colleagues, 2012). When the consequences of a specific action (such as a decision to allocate resources) are combined and have many reasons, people’s attention on the consequences of adapting to the original theories of individuals will increase, and its effect on the following decisions will be more effective. However, non-compatible results with these theories lead to less attention and learning of people at a lower level (Rasman & colleagues, 2012).

Four types of knowledge are identified, including human resource knowledge that exists in the brains of members of the organization. Then, mechanized knowledge that carries specific tasks is integrated into machine hardware. The other is documentary knowledge, which is stored in the form of archives, books, documents, general ledger, instructions, and diagrams, etc. The last one is automatic knowledge stored electronically and accessible by computer programs that support specific tasks.

According to the two types of tacit and explicit knowledge, tacit knowledge is usually in the realm of personal, cognitive, and empirical knowledge, while explicit knowledge refers to knowledge that has a more objective, rational, and technical aspect, including data, policies, methods, software, documents, and so on. Explicit knowledge is typically both well-documented and accessible. Information technology has traditionally focused on the use of explicit knowledge. However, organizations now realize they need to integrate both types of knowledge to do their jobs effectively and develop current methods to convert tacit knowledge into explicit knowledge to be recorded and stored. The goal of knowledge management is to turn tacit knowledge into explicit knowledge and disseminate it effectively. This powerful concept has helped create knowledge management methods, tools, and applications.

2.3. Literature review

Putang (2011) examined the causal relationship between the dimensions of sustainability accounting and corporate survival and concluded that the elements of sustainability accounting, including ethical awareness, voluntary accounting proactiveness, transparency accounting, human capital disclosure, and social responsibility reporting have a direct and significant relationship with the corporate survival listed on the Thai Stock Exchange.

Mollazadeh et al. (2016) evaluated the role of financial knowledge of the board of directors on earnings management and concluded that the CEO's financial knowledge does not affect corporate profit management.

Whetman (2018) indicated that sustainable reporting increases equity returns, asset returns, and corporate profit margins. Loh et al. (2018) examined the relationship between reporting stability and company value and found that financial reporting stability increases company value, and corporate governance strengthens the relationship between these two variables.

Vafghi and Darabi (2018) used the structural equation model in a three-level analysis of financial distress in companies listed on the Tehran Stock Exchange. They stated that risk criteria and corporate governance criteria affect financial distress compared to accounting performance criteria and macroeconomic variables.

Salehi et al. (2019) presented an adjustment model of capital asset valuation models using the risk of financial distress and corporate life cycle. The results showed that the expected rate of return has been downward in the post-intervention period of financial distress risk. Moreover, the average return on the stock portfolio for valuing capital assets at maturity and decline is higher among the various stages of the corporate life cycle.

Mansouri Nia et al. (2019) have constructed and validated a cultural accounting measurement scale in order to present a local model. According to the results of this study, the distance between power and authority, individualism-collectivism, gaining confidence-indecision, masculinity-feminism (gender inequality), populism-specificism, decomposition-composition, intra-centrism-extroversion, time-sequence-temporal symmetry, acquisition-acquisition Hierarchically, long-term-short-term horizon (futurism) was extracted and selected as components of cultural accounting. And provided scientific utilization of this environment in general.

Amir Beigi Langroudi et al. (2020) have presented an integrated accounting model of sustainable development management. This study shows that the importance of management accounting role in the field of sustainability, on one hand in providing information that facilitates sustainable decisions of managers and on the other hand in providing the necessary information to report sustainable value creation for stakeholders and data analysis of these reports to improve economic effectiveness. And help efficiency of environmental and social and those dimensions.

Balogani (2020) argued in a study that the principles of organizational sustainability should include economic, environmental and social impacts of a firm's performance, which ultimately can improve corporate health and support its growth and survival.

3. Research hypothesis

Developing companies need to have more trustworthy and secure relationships the ethical principles for dealing with shareholders considering the ethical principles for dealing with shareholders to the value of information, as well as corporate stocks and their consequences. Ethical awareness has a very positive effect on stakeholders by increasing satisfaction (Berrone et al., 2007), which awareness helps stakeholders choose the method that is more acceptable and reasonable in their decisions.

Transparency accounting mindset responds to persistent fraud, and Sarbanes-Oxley’s law (2002) against managerial ambiguity and significant capital market crises is a reaction to the need for transparency in the accounting mindset. Transparency accounting in a company has significant effects on the capital market and its efficiency. Asymmetric information reduces flexibility (risk, capital market activities, and cost of capital), and transparency is always considered as the foundation of investor confidence. Therefore, the transparency accounting mindset can potentially effect on market value, employee motivation, and stakeholder acceptance (Yu, 2005). Previous studies have revealed a significant relationship between human capital and favorable market value. However, the productivity of human capital depends on the talent of employees, motivation, reward, skills, experience, health, and even emotional states. Therefore, the human capital analysis should include competencies and attitudes, and disclosure of human capital has a potential effect on market value, employee motivation commitment, and acceptance of prominent stakeholders (Xian et al., 2010).

Social responsibility reports were prepared by company shareholders, customers, creditors, decision-makers, and the environmental group (the company's commitment to environmental protection), which is considered as the observance of social responsibility (organizational commitment) of the company. This important commitment is assessed to examine the effect of social responsibility on market value (Branco and Rodriguez, 2008). According to previous studies, social responsibility is related to corporate performance, reflecting the value of future cash flows based on the stock price growth approach. In this case, social responsibility is a reliable indicator for measuring the effect of social responsibility disclosure proactiveness on corporate performance (Wang et al., 2016). Based on experimental studies in market value and corporate social responsibility, social responsibility disclosure proactiveness enables the company to create a base of satisfied customers, leading to a positive market value (Lou et al., 2006). Therefore, there is a significant relationship between corporate social responsibility and their performance, which are interdependent, and accounting may jeopardize corporate sustainability like the competition between companies and the losses they incur (Aman and Nguyen, 2008). Falck and Hebich (2007) demonstrated that corporate behavior towards society should be examined regarding the corporate goal to survive and achieve the specified goals. Preston and Sachs (2002) stated that companies that do not feel any responsibility for the welfare of society cannot survive and succeed. Thus, companies with ethical responsibilities, including a wide range of standards, are successful with sustainability accounting (Wang et al., 2016). A company reports earnings when it has satisfied its shareholders by following ethical behaviors to attract resources, increase performance, and create a competitive advantage. Accordingly, the main hypothesis is developed as follows:

Managers' tacit knowledge affects sustainability accounting structures.

4. Methodology

This research aimed to provide a model for corporate sustainability accounting by predicting the causal relationship between managers' tacit knowledge and corporate sustainability accounting. This descriptive-analytical used the structural modeling approach and collected the required data by online and face-to-face questionnaire[1] method. The structural equation modeling approach was based on partial least squares in the inference stage. The questionnaire was distributed among the managers of the studied companies by visiting the head office of 39 factories and social networks. References led to the questionnaire distribution in 93 companies, of which 22 cases were rejected due to inadequacy or inaccuracy of the data, bringing the number of correct observations to 71 companies. According to the theory of Chin et al. (2003), the sample size should be estimated at a ratio of 10 items per parameter regarding ding the adequacy of the sample size in the structural equation modeling method to obtain valid and generalizable results. Bentler et al. (2006) also suggested 5 items per parameter (Hir et al., 2006; Bentler et al., 2006). According to the structural model of this study, the existing observations (questionnaire-company) (71 cases) are statistically sufficient.

Independent variables (implicit knowledge of managers) and latent endogenous (sustainability accounting) were measured by a standardized questionnaire. The questions of this questionnaire are taken from the standardized questionnaire of Putang et al. (2011) and Ponomaro (2012). The opinion of university professors and the country's capital market experts were used to develop and localize research tools appropriate to the country's environment and verify its validity. Table 1 presents the information about the research variables.

[1] https://survey.porsline.ir/s/FFMF5qp/

Table 1. Research model variables

No.	Name of variable		Role	Type	Structure
1	Sustainability accounting		Latent	Perceptual	Reflective
1-1	Accounting ethical awareness		Latent	Perceptual	Reflective
2-1	Voluntary accounting proactiveness		Latent	Perceptual	Reflective
3-1	Transparency of accounting mindset		Latent	Perceptual	Reflective
4-1	Human capital disclosure		Latent	Perceptual	Reflective
5-1	Social Responsibility Reporting		Latent	Perceptual	Reflective
2	Tacit knowledge		Latent	Perceptual	Reflective
1-2	Tax tacit knowledge		Latent	Perceptual	Reflective
2-2	Financial tacit knowledge		Latent	Perceptual	Reflective
3-2	Managerial tacit knowledge		Latent	Perceptual	Reflective
4-2	Political tacit knowledge		Latent	Perceptual	Reflective
5-2	Social tacit knowledge		Latent	Perceptual	Reflective

5. Findings

About 72% of respondents were male in a position of financial managers or chief accountants. The level of education was more than 82% of the respondents with a master's degree and above, and it is noteworthy that this group of people had better participation in terms of accepting to respond to the questionnaire and maintain the quality of answers.

SMART-PLS was used to test the hypotheses using structural equation modeling, which is preferred when the volume of observations is small or does not have a normal distribution (Davari and Rezazadeh, 2013).

The reliability and validity of structures and indicators were evaluated to examine the measurement model (external model). Cronbach's alpha and composite reliability for each of the model structures were more significant than 0.7. In addition, all indicators had the necessary reliability, and convergent validity and diagnostic validity were used to evaluate the validity of the model constructs. The average variance extracted was more than 0.5 to evaluate the convergent validity of all model structures. Since the root mean of the variance extracted in the diameter of the matrix is more than the correlation of structures, the criterion has an acceptable limit, and the quality of the model structures has good validity.

The factor loads and the explained variance of the variables were checked by the PLS algorithm using bootstrapping[2] to obtain the t values to evaluate the structural model (internal model) after calculating the path coefficients. The results related to the significance of the routes can be observed in the following table.

Table 4 indicates that social tacit knowledge was significant in disclosing of intellectual capital (t = 2.643>1.96). Therefore, the effect of social tacit knowledge on the disclosure of intellectual capital is confirmed. Since the disclosure of social responsibility was affected by the path of social tacit knowledge (t = 3.318>1.96), the effect of social tacit knowledge on the disclosure of social responsibility is confirmed. The same result was also achieved for the effect of financial tacit knowledge on accounting ethics (t = 4.480>1.96), disclosure of intellectual capital (t = 1.983>1.96), disclosure of social responsibility (t = 2.318>1.96), transparency of accounting mindset (t = 4.516>1.96), voluntary accounting proactiveness (t = 4.829>1.96). The path of tax tacit knowledge on voluntary accounting activities was significant (t = 1.862), which indicates the confirmation of the effect of tax tacit knowledge on voluntary accounting activities.

[2] Bootstrapping approach is a good way to create standard errors or t values. This method can calculate the errors by the sampling method and provide a suitable and powerful confidence interval or standard deviation when the sample size is small and the estimators are accurate. Also, this method is used to estimate the variance of the estimators when the probability distribution function of the estimators is unknown or complex (Abbaszadeh et al., 2012).

Table 2. Investigating the relationships between research structures

Path	Path coefficient	Standard deviation	Significance level*	Result
Accounting ethics <- Social tacit knowledge	-0.031	0.159	0.924	Rejected
Disclosure of intellectual capital <- Social tacit knowledge	0.484	0.192	0.008	Confirmed
Disclosure of social responsibility <- Social tacit knowledge	0.476	0.152	0.001	Confirmed
Transparency of accounting mindset <- Social tacit knowledge	0.135	0.159	0.336	Rejected
Voluntary accounting proactivenss <- Social tacit knowledge	0.086	0.137	0.542	Rejected
Accounting ethics <- Political tacit knowledge	0.053	0.066	0.470	Rejected
Disclosure of intellectual capital <- Political tacit knowledge	-0.070	0.054	0.160	Rejected
Disclosure of social responsibility <- Political tacit knowledge	-0.021	0.058	0.648	Rejected
Transparency of accounting mindset <- Political tacit knowledge	0.006	0.054	0.946	Rejected
Voluntary accounting proactivenss <- Political tacit knowledge	0.062	0.060	0.332	Rejected
Accounting ethics <- Financial Tacit knowledge	0.718	0.159	0.000	Confirmed
Disclosure of intellectual capital <- Financial Tacit knowledge	0.334	0.165	0.048	Confirmed
Disclosure of social responsibility <- Financial Tacit knowledge	0.309	0.129	0.021	Confirmed
Transparency of accounting mindset <- Financial Tacit knowledge	0.614	0.136	0.000	Confirmed
Voluntary accounting proactivenss <- Financial Tacit knowledge	0.605	0.126	0.000	Confirmed
Accounting ethics <- Tax Tacit knowledge	0.182	0.201	0.360	Rejected
Disclosure of intellectual capital <- Tax Tacit knowledge	0.188	0.131	0.174	Rejected
Disclosure of social responsibility <- Tax Tacit knowledge	0.160	0.115	0.189	Rejected
Transparency of accounting mindset <- Tax Tacit knowledge	0.088	0.138	0.538	Rejected
Voluntary accounting proactivenss <- Tax Tacit knowledge	0.243	0.134	0.063	Confirmed
Accounting ethics <-Managerial tacit knowledge	-0.029	0.079	0.671	Rejected
Disclosure of intellectual capital <-Managerial tacit knowledge	-0.054	0.075	0.407	Rejected
Disclosure of social responsibility <-Managerial tacit knowledge	0.012	0.074	0.975	Rejected
Transparency of accounting mindset <-Managerial tacit knowledge	0.112	0.075	0.217	Rejected
Voluntary accounting proactivenss <-Managerial tacit knowledge	-0.058	0.070	0.386	Rejected

*Sig > 95%

The average subscription was used to measure the external model fit, and the coefficient of determination R2 was applied for the structural model fit in the studies models. The mean value of the subscription represents the percentage of changes in the indicators that are justified by the corresponding structure, and researchers have reported an acceptable level for statistical subscriptions greater than 0.5 (Lee et al., 2008). The proposed model has a good fit given the R^2 values, which indicates the ability of the model to describe the structure. In addition, the fit of the model was calculated as much as 0.72, which indicates its proper fit. The following modified model is as follows:

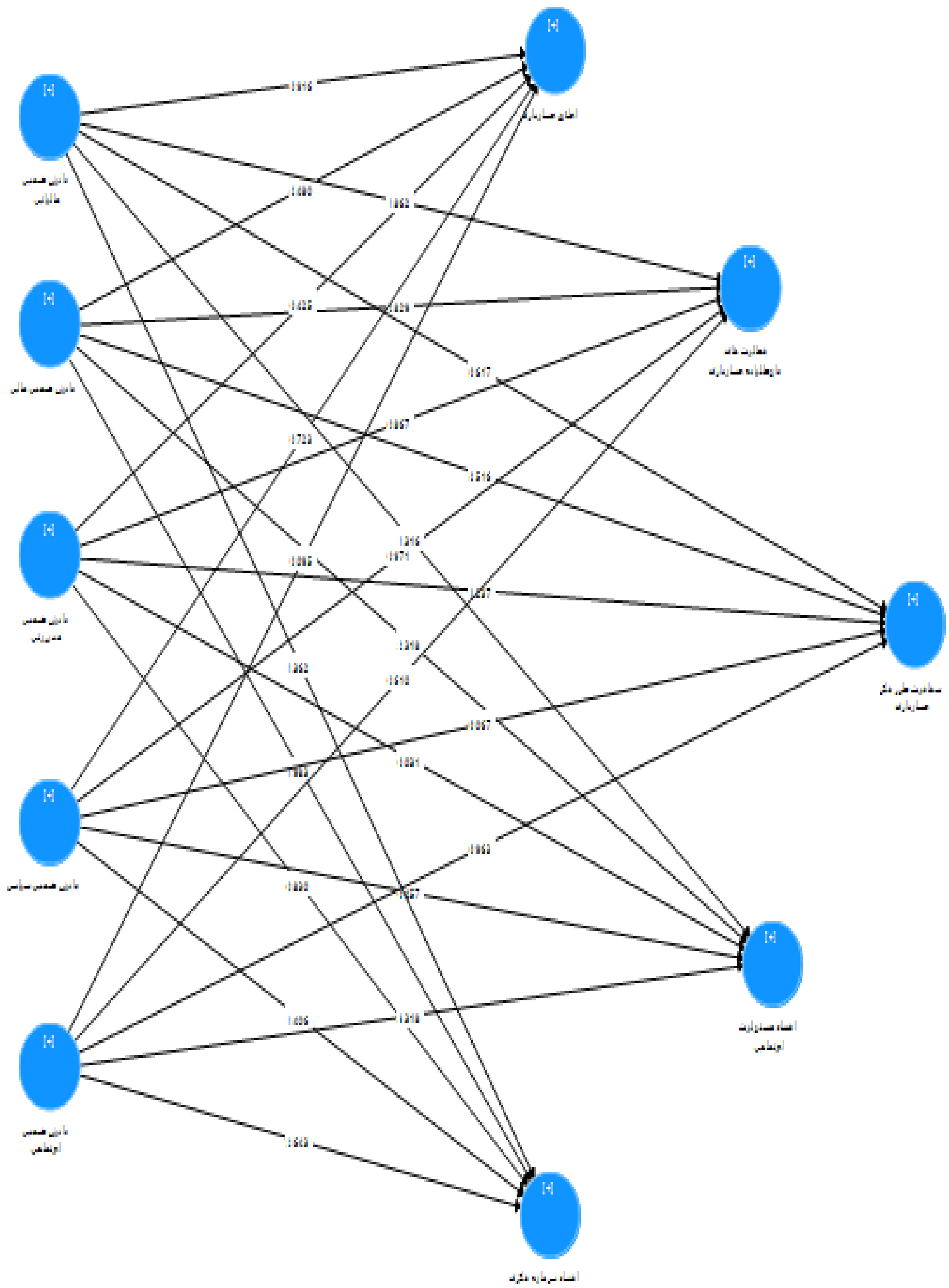

Figure 1. The structural model with t-statistics

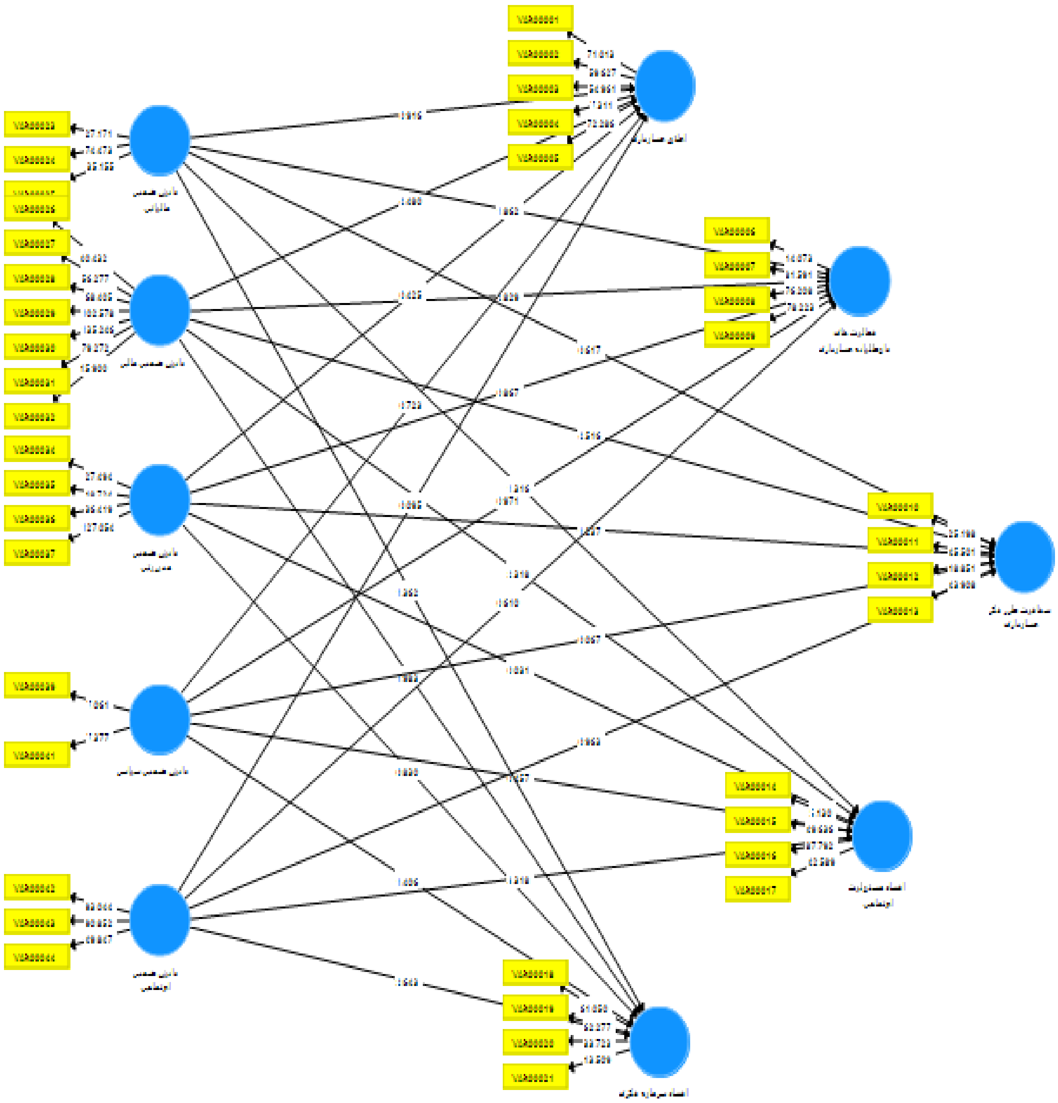

Figure 2. Results of the adjusted t-test

6. Discussion and conclusion

The present study proposed a new structure of tacit knowledge of managers and sustainability accounting structures from different perspectives. Dimensions of managers' tacit knowledge and various structures of sustainability accounting, including ethics, volunteerism, transparency, human capital, and social responsibility reporting were identified and analyzed. Testing the research model indicated that social tacit knowledge has a significant effect on the intellectual capital disclosure. According to the theoretical foundations of the research and the results of research conducted by Putang (2011), Foster and Joncker (2007), and Kahler et al. (2005), the characteristics of sustainability accounting, including social responsibility reporting, environmental reporting, and accounting ethics, were influenced by managers' tacit knowledge. Therefore, the results of this section were consistent with those of Ponomaro (2012) and Putang (2011).

Financial tacit knowledge had a significant effect on all sustainability accounting structures. Based on the theoretical foundations of the research and based on the results of research conducted by Wang et al. (2016), Putang (2011), Aksian et al. (2010), Branko et al. (2008), Bruner et al. (2007), Dask et al. (2007), and Yu (2005), companies need to have more trustworthy and secure relationships with shareholders per ethical principles to increase the value of information, as well as companies' stocks and its consequences. In other words, sustainability accounting helps stakeholders choose the most acceptable and reasonable method in their decisions. Finally, accounting ethics, social responsibility reporting, and transparency in financial reporting have a potential effect on the market value of companies, motivational commitments of employees, and acceptance of prominent stakeholders. Voluntary accounting proactiveness effectively improves company performance and shareholder interests. Thus, voluntary accounting proactiveness potentially affects the market value of companies, the motivational commitments of employees, and the acceptance of prominent stakeholders. Transparency has always been considered as the foundation of investor confidence and thus, affects the market value of companies, motivational commitments of employees, and acceptance of prominent stakeholders. These results are in line with those of Wang et al. (2016) and Putang (2011).

Financial and tax tacit knowledge of managers strengthens sustainability accounting and affects sustainability accounting structures. Therefore, top and middle managers, as well as financial managers, are recommended to pay more attention to the tacit knowledge of managers and include it in their decision-making models because this factor can be a basis for strengthening sustainability accounting.

Future studies are advised to evaluate the role of corporate governance mechanisms and the quality of financial reporting on sustainability accounting at the industry level. In addition, the present study had some limitations, including lack of access to all companies listed on the Tehran Stock Exchange, which has led to a reduction in the statistical sample.

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