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Rebranding Accountability: The Impact of AI and ESG Reporting on the Role of Accountants in the Sustainability Era

Abstract

Conceptual Framework

This work identifies a turning point, exploring how the adoption of artificial intelligence (AI) in environmental, social, and governance (ESG) reporting reshapes what it means to be an accounting professional. It builds on two complementary theoretical lenses – Social Identity Theory and Institutional Theory – to capture, respectively, how accountants construct and negotiate their professional identities and how broader regulatory, normative, and cultural forces structure the context in which those identities evolve. Together, these perspectives support a multilevel understanding of accountants in the sustainability era.

The research question is: In what way does AI in ESG reporting redefine the identity of the accounting professional, and with what implications? Accounting lies at the intersection of three powerful and interdependent forces: rapid advances in AI and digital technologies, intensifying regulatory demands for sustainability disclosure, and keen societal expectations for corporate accountability and long-term value creation (Ahmad et al., 2023). As a result, the profession is confronted with the need to move beyond its traditional focus on financial stewardship toward a broader role that integrates ESG materiality, ethical judgment, and stakeholder-oriented accountability into its core identity.

The Makeover: Context and Stakes

Organizations operate under a persistent tension between the pursuit of competitiveness and the need to comply with increasing sustainability requirements. AI is promoted as a solution to this tension by enabling more efficient, accurate, and timely ESG data management. At the same time, the embedding of AI in reporting processes introduces additional responsibilities: digital innovation itself must be aligned with sustainability principles, including fairness, transparency, and resource efficiency. Recent regulatory developments in the European Union (EU), such as the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), have accelerated ESG reporting obligations and pushed organizations to rely more heavily on advanced digital tools to cope with data volume, complexity, and assurance requirements.

In this context, the integration of AI reshapes not only what accountants do but who they are. Empirical work documents increasingly fluid role identities that move between traditional, strategic business partner, and digitally oriented data. These hybrid roles demand that accountants reconcile sometimes conflicting expectations: safeguarding technical rigor and compliance, providing forward-looking strategic insights, and engaging with sustainability.

Findings: Interconnected Domains

The systematic literature review underpinning this work covers three interconnected domains: (1) AI and digital transformation in accounting, (2) sustainability reporting and ESG disclosure, and (3) professional identity and institutional influences in accounting. This review examined 186 articles across databases including Web of Science and Scopus, tracking trends from 2012 through 2024.

1) Across literature, AI is associated with enhancements in data processing, accuracy, and efficiency, and with reallocation of human effort from routine tasks to more complex analytical and advisory activities. AI-enabled systems support ESG reporting by automating data capture, cleansing, and aggregation; facilitating real-time monitoring of environmental and social indicators; and generating decision-support insights for managers and boards. However, AI adoption is uneven. Organizational factors shape the extent and depth of AI integration in ESG-related processes. Also, there is recognition of persistent ethical challenges associated with AI in accounting and auditing, notably biases, opacity, privacy risks, and accountability gaps, which underscore that AI cannot be delegated autonomous ethical agency.

2) Research identifies five major streams of investigation: characterization of decoupling phenomena, identification of drivers, mitigation factors, impacts, and alternative perspectives. ESG reporting effectiveness depends upon transparency (disclosure, clarity, accuracy) and information quality (completeness, timeliness, relevance). Organizations leveraging digital technologies – Including AI – demonstrate enhanced corporate accountability and sustainability performance, though implementation barriers persist. Particularly, accountants' competencies for ESG reporting remain contested; while traditional technical accounting competencies remain important, soft skills and sustainability-related knowledge now receive increasing emphasis.

3) Research identifies multiple factors influencing professional identity development: external (professional associations, educational institutions), organizational (organizational culture, technological readiness), and individual (competency development, attitude toward change). Professional identity is linked with accountants' social image, status, and perceived competence within organizations and society. Critically, professional associations and educational institutions sometimes hinder rather than enable the evolution of accountants' roles toward sustainability, suggesting misalignment between professional bodies and emerging professional expectations. Overall, current evidence suggests a fragmented, sometimes contradictory professional identity, in which emerging sustainability and technology roles coexist with, but are not fully integrated into, established professional logics.

Mapping Knowledge

To complement the SLR and reveal latent structures in the literature, the work draws on bibliometric techniques, including keyword co-occurrence, clustering, and citation mapping. The analysis identifies seven main clusters in the intersection of accounting, digital transformation, and sustainability: (1) AI adoption in accounting and auditing, (2) digital accounting education and e-government, (3) management control and performance

measurement systems, (4) the auditing profession and assurance, (5) public sector digital innovation, (6) digital technologies for sustainability reporting and accountability, and (7) digital trust, cybersecurity, and governance. Professional identity emerges as a transversal but still relatively underdeveloped theme, acting as a bridge between technological, regulatory, and human-centered discussions.

The mapping shows that while there are robust bodies of literature on AI in accounting, on ESG reporting, and on professional identity and institutional change, there is limited work that explicitly examines how AI-enabled ESG reporting affects accountants' professional identity. This reveals a salient research gap. It also echoes broader scholarship on digital transformation and careers, which stresses that technology reshapes not only organizational processes but also career trajectories, competence requirements, and sustainable career pathways.

Key Conceptual Insights

Professional Boundaries

Beyond technical compliance, accountants are now expected to act as sustainability strategists and agents of long-term value. This boundary redefinition is propelled by multiple institutional mechanisms: regulatory mandates that strengthen the formal involvement of accountants in ESG reporting (e.g., under CSRD and ESRS); professional association guidance that broadens the scope of professional responsibility to include sustainability and digital competencies; and organizational expectations for accountants to act as business partners, integrating financial and non-financial performance perspectives. Social Identity Theory helps explain how these shifts challenge existing in-group norms and prompt accountants to renegotiate the content and distinctiveness of their professional identity.

Institutional Tensions

Institutional Theory highlights tensions between the traditional institutional logic of accounting – grounded in rule-based financial reporting, historical cost, and compliance – and emerging logics that prioritize stakeholder accountability, sustainability integration, and ethical reflexivity. Professional associations and educational institutions that remain anchored in the former may inadvertently constrain the profession's capacity to engage in the institutional work required to embed sustainability and AI into core practices. Organizations thus navigate a complex institutional environment in which coercive pressures (regulation), normative pressures (professional standards and education), and mimetic pressures (imitation of perceived leaders) shape AI adoption in ESG reporting. These pressures can either facilitate or inhibit the change.

Identity as Dynamic and Fluid

Rather than a linear move from one stable identity to another, the literature suggests that accountants are constructing fluid, context-sensitive professional identities. They continually recalibrate their self-concept in response to evolving technological tools, regulatory demands, and stakeholder expectations. This fluidity can be a source of adaptability and innovation, enabling professionals to experiment with new role configurations and to occupy hybrid positions. However, it also creates ambiguity and potential identity strain, as the sustainability-oriented, AI-literate accountant identity is not

yet fully institutionalized or universally recognized. This unsettled state opens space for competing narratives about the future of the profession, from optimistic visions of accountants as central agents of sustainability transformation to more cautious perspectives emphasizing risks of de-skilling, marginalization, or ethical dilution.

Contribution and Implications

This work contributes to literature by: (1) synthesizing previously fragmented literatures on AI, sustainability, and professional identity; (2) identifying the institutional mechanisms through which professional identity is being reconstructed; (3) mapping the theoretical and empirical landscape to guide future empirical investigation; and (4) highlighting critical gaps where professional identity research intersects with AI and sustainability.

The bibliometric evidence suggests that future research must move beyond treating AI adoption, ESG reporting requirements, and professional identity as separate phenomena. Instead, understanding how these forces interact – and how professional identity itself shapes and is shaped by technological and regulatory change – is essential for guiding professional education, practice development, and policy.

Conclusion

Through SLR review, this work demonstrates that AI-enabled ESG reporting catalyzes fundamental reconsideration of accountants' roles, responsibilities, and professional identities. Social Identity Theory and Institutional Theory together illuminate how this rebranding of accountability occurs through individual meaning-making, organizational change processes, and institutional evolution. The work reveals both the extraordinary potential for accountants to become agents of sustainability change and the very real barriers – institutional inertia, unclear competency frameworks, and technological ethics challenges – that must be overcome to realize this potential. This conceptual foundation sets the stage for subsequent empirical investigation into how accountants and professional institutions are navigating this identity transformation in practice.