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Designing the Framework to Implement the Sustainability Accounting Concept in the Small Business Organization: A Conceptual Approach

Putu Sukma Kurniawan
Universitas Pendidikan Ganesha
putusukma@undiksha.ac.id

INTRODUCTION

This research aims to design the initial framework to help the small business organization implement the sustainability accounting concept. The basic principle in this research is the small business organization is the part of our big economic system and the small business organization has a big responsibility to implement the sustainability accounting concept in their business activities. Based on previous research and works of literature, the implementation process of sustainability concept (and also sustainability accounting) can improve the company's internal business and build a strong connection with the company's stakeholders. Therefore, the implementation process of sustainability accounting concept is important for the small business organization.

PURPOSE/AIM & BACKGROUND

The main purpose of this research is to create an initial framework to implement the sustainability accounting concept in small business organization and to promote the implementation of the sustainability accounting concept in our economic system. The main theory in this research is legitimacy theory. This theory explains why the small business organization should implement the sustainability accounting concept in their business activities. In this context, the legitimacy theory is the perfect theory to explain the main purposes of this research. This research will explain why the small business organization should insert the sustainability accounting concept in their business through the concept of legitimacy theory. This research also use the stakeholder theory used to explain the connection or relationship between the small business organization and their stakeholder. It is important to understand the connection between the small business organization and their stakeholder because the business process of small

business organization can create a real impact to their stakeholders. This research will identify the stakeholders of the small business organization and create a map to understand the specific contribution from the each groups of stakeholders.

METHODOLOGY

The object of this research is the small business organization in Buleleng Regency, Bali Province, Indonesia. This research will use a qualitative paradigm and contains two stages. This research will use interview, observation, and document analysis to collect the data. The data will be collected by interview with the management of small business organization and from this activity, the researcher will have the management's perspective about the sustainability accounting concept. And also this research will collect the data from the local government perspective. Based on the stakeholder theory, the local government is the important stakeholder group for the small business organization. It is important to understand the support from the local government in the context of the implementation process of sustainability accounting concept in small business organization. The observation activity is important to receive information about the company's main business activities and to identify the key activities which appropriate with the sustainability accounting concept. The document analysis process will be used to identify the company's documents which suitable with the sustainability concept (example the concept of triple bottom lines, corporate governance, and risk management concept). By using the three collecting data method, this research will have the basic data to build the initial framework, and the important data is the researcher will have the perspective about the sustainability accounting concept based on small and business organization's paradigm.

This research will also use the data, from the first stage, as the main reference to build the initial framework. This research will use sustainability accounting guidelines or standards to design the initial framework, such as the GRI Guidelines and Sustainability Accounting Standards Board Guidelines. The GRI has published the specific standard for sustainability reporting in small and medium enterprises and also the SASB has released the sustainability accounting standard for small business organization. This specific standards contain the important items to help the researcher build the initial framework of sustainability accounting concept.

FINDINGS/RESULTS

The expected result of this research is the initial framework to implement the sustainability accounting concept and the management of the small business organization can use this framework to develop their business activities based on the sustainability accounting concept. The initial framework will contain the mechanism of how to implement the concept of sustainability accounting in small business organization, how to report the financial information and non-financial information through corporate sustainability report, and how to create a strong connection with the company's stakeholders. And also the initial framework will contain about the social cost and the environmental cost. The proposed framework will help the management of small business organization to measure or calculate the company's social cost and environmental cost. And also help the management to calculate the impact of their business into the social community and the environment. After the proposed framework is finished, this research will try to implement the framework in small business organization. The implementation process is important to understand the benefit of sustainability accounting concept in SMEs. And also this process is crucial to identify the obstacles and challenges in the context of implementation the sustainability accounting concept in the small business organization.

CONCLUSIONS

Based on this research, the small business organization has high capability to implement the sustainability accounting concept in their business activities. The implementation of sustainability accounting concept can improve the internal business process of small business organization and increase the connection between the small business organization and their stakeholders. From the first stage of this research, this research has created the initial indicators for the implementation process of sustainability accounting in small business organization. The initial indicators are divided into three categories, such as economic indicators, social indicators, and environmental indicators. The next stage of this research is creating the framework and the main reference is the previous stage from this research.

Keyword: sustainability accounting framework, sustainability accounting concept, small business organization