IMPLEMENTATION OF GREEN ACCOUNTING IN EFFORTS TO PREVENT ENVIRONMENTAL POLLUTION TO SUPPORT BUSINESS CONTINUITY

Meiliyah Ariani* a,1, Zulhawati b,2

* Faculty of Economics and Business, University of Prof. Dr. Moestopo (Beragama), Jakarta, Indonesia
b Graduate Program, Universitas Teknologi Yogyakarta, Indonesia
1 meiliyahariannie@yahoo.co.uk*, 2 zulhawati@staff.uty.ac.id

Abstract
The application of the Green Accounting method is a discourse that is influenced and influences the environment. Accounting itself grows and develops along with the development of society. Environmental problems are not only a problem for regulators and the government as executors but also for economic actors to create an environmentally friendly mindset and attitude. One example is that many business owners still have a place of business but do not think about the impact of the generated business waste. This study aims to find out, analyze and provide conclusions about whether the waste of Batik Houses in the Kembangan area of West Jakarta has a waste disposal mechanism. The costs incurred in waste treatment, find out the efforts of Batik Houses in dealing with environmental pollution and analyze the effectiveness and efficiency of Batik Houses in treating their waste if reviewed from an accounting perspective. Based on the results of the research, the waste of Batik Houses in the Kembangan area of West Jakarta is still not efficient in managing the waste it produces because the managed waste treatment still has a negative impact on the surrounding community in terms of accounting for the efforts made by Batik Houses are still not effective in handling the results from the pollution of the waste they produce, this is proven by the absence of a clear financing analysis regarding the management of batik house waste so that it is not yet feasible in waste treatment.

Keywords: Business Continuity, Environmental Pollution, Green Accounting.

I. INTRODUCTION

With economic development, accounting develops to adapt to the needs of the times. One concept that is currently developing is Green accounting; this concept has developed rapidly since the 1970s, especially in European countries. This concept is based on a lot of pressure from non-governmental organizations (non-government) and the open-mindedness of the wider community about the concept of environmental awareness. In the following years, the development of studies on green accounting continues. In 1990, the International Accounting Standards Committee (IASC) developed the concept of international accounting standards. It includes creating environmental accounts and assessing human rights. In addition, industry standards are increasing, and professional auditors such as The American Institute of Certified Public Accountants (AICPA) have published universal principles for environmental auditing. In 1999, the Japan Environment Agency (Environment Agency) finally changed its name to the Ministry of Environment (MOE), created environmental accounting guidelines in May 2000, and revised them again in 2002 and 2005. Xerox is one of Japan's major corporations that started to implement environmental accounting in Japan and has already introduced an environmental accounting system and applied environmental accounting from the same point of view as financial accounting that has already been published. Until now, more and more companies in Japan have started implementing the Green Accounting system following regulations issued by the Japanese Ministry of Environment, namely NEC, Fuji, Xerox, Hitachi, Chugai, Pharmaceutical Company, Honda, Canon, Panasonic, Nikon, Komatsu. And so on.

The application of the Green Accounting method is a discourse that is influenced and influences the environment. Accounting itself grows and develops along with the development of society. The accounting method introduced by Luka Pacioli was considered appropriate and adequate because it solved various accounting and business reporting problems that were required at that time. Still, due to increased business complexity, clearer recognition, measurement and reporting methods were needed. Accounting continues to evolve and adapt to needs [1]. Indonesia itself, it is known as a country with very minimal environmental awareness. The waste dumped by Indonesian economic operators turns out to be fraudulent economic operators trying to trick waste disposal into reducing costs generated in the company. Business owners often find that the cost of waste disposal is very burdensome to the company's performance and is a loss to their business continuity.

This environmental problem is not only a problem for regulators and governments as executors but also for economic actors to create environmentally friendly mindsets and attitudes. One example is that many business owners still have a place of business and do not think about the impact of the business waste they cause. Every entrepreneur in the manufacturing industry is eager to earn profits by running his own business. For all the benefits to be gained, the manufacturing industry also needs solutions to problems related to its environmental impact. It is related to increasing awareness of social and environmental impacts and encouraging business actors
to consider resolving the impacts caused by existing waste. Incidents of business waste pollution have begun to affect nature and have a major impact on the local environment. Even these impacts can affect business conditions.

Research on waste treatment and cost calculations for waste treatment must be carried out to reduce the impact of pollution and create a clean and safe environment for ecosystem sustainability. It is also necessary to clarify the funds business owners spend on waste disposal. In this case, one of the contaminants that can directly impact the environment and society in this study is batik cloth waste, ranging from batik-making waste to even batik dyeing waste. This form of Batik household waste comes from batik production and previous production results, such as dye factory waste, which is not traded, consumed, or disposed of in a way that does not pay attention to the existing environmental health.

This study aims to analyze the waste of Batik Houses in the Kembangan area of West Jakarta, whether they have properly disposed of waste, whether the waste of Batik Houses in the Kembangan area of West Jakarta has used the application of accounting concepts as a benchmark for waste treatment, and the funding that is made so that waste does not pollute the environment around the Batik House in the West Jakarta Kembangan area. The financing process processed by Batik Houses in the Kembangan area of West Jakarta is a problem that must be examined because unstructured financing can lead to irregular waste management and impact the future performance of the Batik House production business.

Contributions in research can provide development regarding green accounting for waste processing, financing in waste processing, application of accounting systems in waste treatment, the impact of waste processing on the performance of the gobang batik house business, how the impact of waste that will be generated by gobang batik houses and its manufacture on the environment around the community and can carry out management effectively by showing the benefits and benefits that are obtained by the existence of batik-making activities for the environment and surrounding communities.

The research gap in this study is to build hypotheses based on previous studies, to form a research model that is more complex and adequate in understanding phenomena in the application of Green Accounting in dealing with environmental pollution, where this will be reviewed from several studies regarding the impact of batik waste pollution based on the value of economic compensation [2], understanding and concern for green accounting [3], the application of green accounting [4], air pollution and health [5].

II. LITERATURE REVIEW

A. Legitimacy

Legitimacy theory is a theory that focuses on the interaction between business and society. This theory is one of the many theories mentioned in Environmental Accounting [6]. This concept shows social interaction where the company is responsible for society's expectations [7]. Legitimacy can be equated with the perception or presumption that the actions taken by an entity are actions that are desirable according to socially developed norms, values, beliefs, or definitions.

Companies that value the survival of the company, the company will pay more attention to its image. Because for a company, image is closely related to the perspective of society in assessing the fulfillment of corporate responsibilities. The company's perception of its relationship with the social environment can indirectly affect its survival.

According to Hidayati et al. [8], companies strive for legitimacy or recognition from investors, creditors, consumers, the government and the surrounding community to survive. The implication of the theory of justification for the environmental responsibility of a company or institution is that disclosure of corporate social responsibility is carried out to gain legitimacy from the community where the company is located. Therefore, legitimacy can support the continuity of the company's business. It is in line with legitimacy theory which states that companies have a contract with the community to carry out activities that follow justice. Legitimacy theory states that an organization must ensure its activities comply with social boundaries and norms [9].

B. Regulatory Theory

The regulatory theory is a theory that argues that accounting requires rules and regulations. In this case, the government's role is needed to regulate provisions on what must be done by government agencies or the business world when organizing information. These conditions ensure that users and presenters receive the same or balanced information.

According to Scott [10], there are two regulatory theories: public interest theory and interest group theory. Public interest theory explains that regulation must be able to maximize social welfare, and interest group theory explains that regulation is the result of lobbying by several individuals or groups who defend and convey interests to the government. The regulatory theory is the result of public demand to correct market failures. In this theory, the central authority also includes regulatory oversight bodies assumed to have the best interest of society.
In the business world, there are still many business actors who are not aware of the importance of waste disposal, so for all forms of activity to take place, a theory of regulation is needed to guide us in all business activities, both in business and in business to be able to monitor its implementation by business owners and companies. Indonesia has a serious problem in disposing of waste generated by business owners. Many business owners are not aware of the business waste they generate, which causes serious environmental problems.

There are regulations from the government regarding processing or disposing of waste, as stated in Government Regulation 82 of 2001, concerning the Management of Water Quality and Control of Water Pollution. Some of the provisions of Government Regulation No. 82 of 2001:

1. Article 37 “Every person in charge of a business and or activity that discharges wastewater into water or water sources is obligated to prevent and deal with water pollution.”
2. Article 40, paragraph 1 “Every business and or activity that discharges wastewater into water or water sources must obtain written permission from the Regent/Mayor.”

In addition, there is also Law No. 40 of 2007 concerning Limited Liability Companies. "Companies in the form of corporations that carry out business in natural resource management or related to natural resources are required to carry out social and environmental responsibilities.

C. Environmental Accounting (Green Accounting)

Accounting is a science that influenced and influenced the environment. Its existence is growing from time to time. As business complexity increases, so do accounting methods. When environmental interests get public attention, accounting improves and is ready to internalize various externalities [11]. Green accounting was first developed in European countries in the 1970s. This concept has developed with increasing pressure from various groups, especially non-governmental organizations, and many people are aware of environmental impacts, encouraging the business world to implement environmental management. In the mid-1990s, the terms environmental accounting and green accounting were not generally known, and only a few companies adopted this waste treatment system efficiently, especially in accounting calculations. Still, Canon companies have started to apply it since 1983. These things symbolize the disclosure of environmental information by companies due to industrial or business activities.

Environmental accounting is not only a process of economic responsibility but also begins to enter the field of environmental and social responsibility as a new science. Green Accounting refers to the actual calculation of inputs and ensures cost efficiency. It can also be used to measure service quality and cost. The main goal is to comply with environmental protection laws to find efficiencies in reducing environmental impacts and costs [12].

According to Bell et al. [13], accounting is an environment addressed as “Green accounting is one of the contemporary concepts in accounting that supports the green movement in the company organization by recognizing, quantifying, measuring, and disclosing the contribution of the environment to the business process”. Green accounting can be interpreted as one of the modern concepts in accounting that support the green movement of companies and organizations by recognizing, measuring and disclosing the contribution of the environment to business processes. Since companies are expected to voluntarily comply with government guidelines when conducting business by implementing Green accounting, it is expected that the environment will be maintained in good condition by implementing Green accounting.

Based on a study conducted by Beer et al. [14], disclosing all internal and external environmental costs by allocating these costs according to the types of costs and cost factors in a structured environmental balance sheet has been proven to contribute to environmental performance significantly. Green accounting can be described as the prevention, reduction or avoidance of the impact of environmental pollution resulting from various opportunities, starting with the recovery of events that cause disasters in these activities [1]. With the awareness of business owners, it can reduce the risk of the impact of environmental pollution, which business owner actors will later cause. Companies, investors, existing creditors and potential investors or company creditors must provide information about social activities, environmental protection, and financial information and manage the company's social interests.

D. Types of Green Accounting

In terms of using Green Accounting [15], it is divided into 3 types, namely:

1. National Accounting Profit: In the context of environmental accounting is national income which refers to natural resource accounting, as well as statistical information of a country regarding the quality and consumption value of natural resources that are renewable or non-renewable.
2. Financial accounting: Environmental accounting in the context of financial accounting leads to preparing environmental accountability reports for external users adapted to generally accepted accounting principles.
3. Management Accounting: A type of environmental accounting in the context of management accounting that leads to business processes considering costs, also related to capital investment decisions and performance evaluation related to environmental preservation.
E. Basic Nature of Environmental Accounting

According to Fasua [15], the basic nature of accounting is divided into five: Relevant, Reliable, Easy to understand, Can be compared and Can be proven.

1. Relevant: In implementing environmental accounting, it must provide valid data about the benefits of conservation costs that can support stakeholder decision-making. And due consideration should be given to materiality and significance of relevance. In environmental accounting, materiality is placed on the quantity aspect, and significance is placed on the quality aspect.

2. Reliable: In its application, environmental accounting must eliminate inaccurate or biased data and can assist in building stakeholder trust and reliability.

3. Easy to understand: To disclose easy-to-understand environmental accounting data, environmental accounting must eliminate any judgments that give rise to erroneous judgments in companies. Ensure that any information disclosed is easy to understand for stakeholders. Very complex information is important but must be understood clearly and not give rise to erroneous judgments.

4. Comparable: The data that arises can be compared between the same company and can also be compared between different companies. It is important to ensure comparability to avoid misunderstandings between stakeholders.

5. Verifiable: The data obtained must be verified from an objective point of view. The information obtained is evidence of the same results obtained.

F. Purpose of Environmental Accounting (Green Accounting)

The objective of environmental accounting is to increase the efficiency of environmental management by evaluating environmental activities from the point of view of environmental costs and benefits or economic benefits. In addition, there are several purposes for developing environmental accounting, namely as an environmental management tool and as a means of communication with the public [16].

According to Ikhsan [1], the goals and objectives of developing environmental accounting are as follows:

1. Environmental accounting is an environmental management tool: Environmental accounting is used to assess the effectiveness of environmental conservation activities. Environmental accounting data is also used to determine the cost of environmental management facilities, the overall cost of environmental conservation, and the investment required for environmental management activities.

2. Environmental accounting is a means of communication with the public, as a means of public communication. Environmental accounting conveys negative environmental impacts, environmental conservation activities, and their results to the public. Community responses and views are used as feedback to change the company's environmental preservation or management approach.

G. Benefits of Environmental Accounting (Green Accounting)

There are benefits to be gained when managing environmental accounting, one of which is the benefit of financing specifications that can benefit a business entity or place of business. According to Achmad et al. [17], Environmental accounting defines and incorporates all environmental costs into the company's financial statements. If these costs are identified, companies will take advantage of opportunities to reduce environmental impact.

H. Functions and Roles of Environmental Accounting

The environmental accounting function is divided into internal and external functions; this is mentioned [15].

1. Internal Function: This function makes it possible to manage and analyze environmental preservation financing, compared with the benefits obtained, while also considering effective and efficient environmental preservation by making the right decisions.

2. External Function: The external function allows business actors to influence decision-making towards stakeholders in disclosing the results of measuring environmental preservation activities.

3. Pollution: Seeing the various impacts arising from environmental pollution as a result of an orientation towards economic growth in the development of industry, especially those that require large areas of land and have the potential to cause pollution, it is also necessary to implement development planning that does not only pay attention to infrastructure aspects and market proximity but be the main consideration.

4. Pollution: The actions of small and medium companies or places of business in managing their business must also pay attention to the impact of the pollution they will cause.

I. Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR), as part of the accounting concept, is the disclosure of activities or activities carried out by companies which require company transparency in disclosing activities or social activities carried out by companies where transparency of information disclosed is not only company financial information, but the company are also expected to disclose information regarding the social and environmental impacts caused
by the company's activities. According to Deegan [18], CSR disclosure is a method by which management can interact with society at large to influence outside perceptions of society towards an organization or company.

1. Organization

A clear and accurate organizational system is treated in managing a company or a place of business. Decision-making is very calculated to create environmentally and community-friendly business governance. In this context, it plays a positive role for businesses in creating a safe and unaffected environment in the environment where the company is located. An organization and an accountant should care about environmental issues because many internal and external company stakeholders show an increasing interest in an organization’s environmental performance [1].

K. Effectiveness and efficiency

Effectiveness is key to achieving the goals or objectives determined in every organization, activity or program. The level of effectiveness can also be measured by comparing the plans that have been determined with the actual results that have been realized.

The criteria or measures regarding achieving effective goals according to Steers [19] are as follows:

1. Achievement of Goals: the overall effort to achieve goals must be seen as a process. Therefore, to ensure the achievement of the ultimate goal, phases are needed, both in terms of the stages in achieving the parts and in the sense of periodization.
2. Integration: measurement of the level of ability of an organization to conduct outreach, consensus building and communication with various other organizations.
3. Adaptation: the ability of an organization to adjust to its environment.

Meanwhile, efficiency measurement can help an entity to assess and evaluate its performance and competitiveness in an industry. Efficiency measurement can be done by assessing the competitiveness of the output vs input and load vs return [20].

According to Al-Amri [21], efficiency assessment can be seen from three kinds of efficiency, namely:

1. Technical Efficiency: can be seen and assessed from how efficiently the technology is used to achieve a certain output level for the input used.
2. Allocative Efficiency: allocation efficiency measurement refers to how efficient management is in choosing the inputs used at the cost or price that needs to be spent.
3. Cost Efficiency: a combination of technical efficiency and allocative efficiency. A company's production is said to be cost-efficient if the company uses inputs or costs that are minimal in producing output.

A company can be economically efficient if it can minimize its production costs by producing output at a certain level with a generally-used technology level and the prevailing market price.

Figure 1 explained that laws determined by the government have regulated waste treatment in a company or place of business. In addition, data collection was also taken based on the Green Accounting perspective, which would direct researchers in completing this research. The next step is to analyze the results of the testing data that has been summarized in a secondary form, namely in the form of waste management financial reporting records and conduct discussions on the results of primary data, namely in the form of observations or interviews with several sources to complete the data that will be used in this study.

III. RESEARCH METHODS

This research method emphasizes a qualitative approach with a case study research method. In which the researcher will systematically examine a situation or event called a case in a systematic way in making observations, collecting data, analyzing information, and reporting results. Researchers hope that by using this method, they will gain an in-depth understanding of the research object, namely regarding the analysis of the application of green accounting in dealing with environmental pollution (a case study at a Batik House in the Kembangan area, West Jakarta). Shafique et al. [16], a case study is a detailed examination of one setting, subject, or place where certain documents or events are stored. In addition, case studies are an approach that focuses attention on a case intensively and in detail. Meanwhile, Al-Amri [21] provides more technical limitations emphasizing its characteristics. Based on these limitations, it is understood that the limitations of the case study include: the research targets can be in the form of people, events, settings, and documents and these goals are studied in depth as a totality according to their respective backgrounds or contexts to understand the various existing relationships.

This research technique is purposive sampling called criteria-based selection [22]. The researcher determines the sample itself, which is taken because it is based on certain considerations or criteria. With purposive sampling, it is expected that the sample criteria obtained are truly following the research to be carried out. In this research, there are several criteria to become a research resource, including:

1. Directly involved in processing the processing system and disposal of batik house waste, be it the owner or workers in the colouring and editing division.
2. Part of the community around the place of business of the batik house in the Kembangan area, West Jakarta.

Based on the research above, the researcher tries to determine several sources that match the research criteria, namely:
1. The owner of the batik house business place (owner) and the person in charge of the place of business.
2. Employees or batik house workers as executors who are interested in managing waste disposal results.
3. The surrounding community is residents who live near the processing of batik houses.

Determination of sources based on research criteria was conducted to select informants who were considered to know information and problems in depth and could be trusted to find complete data sources. In this study, researchers only used primary data. Primary data is one of the data needed by researchers [23]. In this case, the researcher’s data was obtained from the research field, both by direct observation or from interviews with informants or informants. The main assessment in this study is data in the form of words and actions of informants or informants as well as certain events related to this research as a result of the collection carried out by the researchers themselves while at the research location. In this study, researchers conducted interviews at the location of batik houses in the Kembangan area, West Jakarta.

The following indicators support researchers in researching batik houses in the Kembangan area, West Jakarta.

### TABLE I. RESEARCH INDICATORS

<table>
<thead>
<tr>
<th>No.</th>
<th>Question</th>
<th>Respondent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>What is the system for processing and financing household waste in Batik?</td>
<td>Batik House Owner</td>
</tr>
<tr>
<td>2</td>
<td>What are the procedures for treating waste?</td>
<td>Batik House waste management employees</td>
</tr>
<tr>
<td>3</td>
<td>Impact generated waste affect the local settlement.</td>
<td>Local communities of Batik House</td>
</tr>
</tbody>
</table>

**IV. RESULTS AND DISCUSSION**

The results and discussion in this study were carried out using in-depth interviews. After conducting in-depth interviews, the next step is data analysis. Researchers compiled various data obtained through in-depth interviews...
and from some secondary data about companies related to and supporting this research. Researchers will explain the results and discussion in this study:

**A. Analysis of Waste Treatment Efficiency in Batik House Businesses**

The batik-making house is still not efficient in managing the waste it produces because the waste treatment that is carried out still has a negative impact on the surrounding community, such as the smell of uncovered waste containers and during the rainy season, the results of the waste containers overflow and inundate the area around the community. As the researchers found in the field, several efforts were inefficient; among others, the batik-making house made a waste shelter to accommodate the rest of the waste produced. However, the shelters are not up to standard because they still cause odours and puddles. After all, waste shelters are made openly. In addition, the waste storage that exceeds the capacity in the holding pond is diverted into an open barrel that is not covered, causing an unpleasant odour resulting from the waste deposit itself. It certainly impacts decreasing public trust, affecting business continuity in batik houses.

**B. The Effectiveness of Waste Treatment Efforts in Batik House Businesses**

Some of the efforts made by Batik House to manage waste are considered to be effective. Among other things is building a collection pond for the results of using waste to accommodate the remaining waste. Later the remaining waste will be disposed of using the dyeing waste suction service, which is still inefficient. It is as stated by the statement from the owner of the Batik House, "For waste processing, the batik-making house has made a waste collection site in the form of dug holes and setting, but the results are still inefficient because it still creates odours in the surrounding environment, and during the rainy season it is due to the storage which is made open causes the waste to overflow causing puddles of the former waste products themselves, however, in this case, the batik manufacturing house has tried to provide waste management even though the results are considered to be inefficient in solving the problem of the waste produced." In the statement above, it can be explained that the owner of the batik house has made a waste collection site in the form of dug holes and a septic tank where desludging will be carried out every week.

In this case, it is not in line with legitimacy theory which focuses on interactions between companies and society. As stated by Arikunto [24], legitimacy is essential for a company or organization because boundaries emphasized by social norms and values and reactions to these boundaries can encourage the importance of analyzing organizational behaviour by paying more attention to the surrounding environment. their place.

**C. Conformity Analysis of Accounting Standards with Processing**

In Disclosure and Presentation, there is a definition (disclosure and presentation/display) [1]: Disclosure means disclosure of information matters that are considered important and useful for users other than what can be stated through the main financial statements and the ways of delivery. Standard disclosure of an incident usually determines whether information must be presented separately from the main report, whether the information is combined with other report items, whether a report item needs to be detailed or whether the information is sufficiently presented in the form of footnotes. Suppose PSAK has not regulated the issue of recognition, measurement, presentation or disclosure of a transaction or event. In that case, the fair presentation can be achieved by selecting and applying accounting policies as explained in PSAK No. 1, paragraph 14 of 2015 concerning the Presentation of Financial Reporting, namely: "Several entities also present, from financial reports, reports on the environment and reports on added value, especially for industries where environmental factors are significant and when employees are considered as a group of users of financial statements that plays an important role. Reports presented outside these financial statements are outside the scope of PSAK. In addition, according to Hidayati et al. [4], a company or a business entity can present environmental concerns in the form of financial reports to help create a good impression of the company in the eyes of pre-investors, the government and the surrounding community. In this case, a comprehensive model that can be used as an alternative model for environmental, financial reporting is categorized into four different models, including:

1. The normative model, this model recognizes and records environmental costs as a whole, namely within the scope of one account space in general with other allied accounts. These costs are included in the financial statements' sub-units of certain cost accounts.
2. The green model establishes certain costs and benefits for a clean environment. As long as a company uses resources, the company must incur costs equal to the consumption of resource costs. This process forces the company to incur resource usage costs even though the recognition and disclosure mechanisms are inadequate and then report these costs in financial statements that are separate from the main financial statements to explain environmental financing in the company.
3. The environmentally intensive model, this reporting model requires the implementation of capitalization of environmental protection and reclamation costs. Expenditure will be presented as an investment in the environment. In contrast, assets related to the environment are not depreciated, so financial statements other
than financing, which are disclosed separately, also contain records of fixed assets related to the environment, which are considered investments for the environment.

4. The national asset model changes the point of view of accounting from the enterprise level (micro scale) to the national level (macro scale), so it is possible to increase the pressure on accounting for the supply and flow of natural resources. In this model, it can be emphasized that in addition to caring about the environment in their accounting disclosures, companies must also interpret environmental financing as a national asset seen as a national responsibility.

In this case, a company or a place of business can choose various alternative models in determining the attitude and form of their social responsibility following the proportions of each company or business entity. However, substantial environmental responsibility remains the main consideration for every company or business entity, both small and medium scale. Suppose it is related to the conformity of accounting standards with the waste processing that the batik production house does. Batik-making houses still do not produce according to existing accounting standards. It can be seen from the absence of special financial reports recorded by batik-making houses to regulate the recognition, measurement, presentation or disclosure of a transaction or event. In disclosing the theory and facts of the research object, the researcher relates it to the concept of Corporate Social Responsibility or CSR, which is part of the accounting concept. CSR is an activity or social activity carried out by a company where the transparency of the information disclosed is not only the company's financial information, but the company is also expected to disclose information about the social and environmental impacts caused by the company's activities.

From an economic perspective, companies will disclose information if the information increases the company's value [24]. By implementing CSR, it is hoped that the company will gain social legitimacy and maximize its financial strength in the long term [25]. It indicates that companies implementing CSR expect a positive response from market players. In addition, according to Steers [19], CSR disclosure is a method by which management can interact with the wider community to influence public perceptions of an organization or company. In line with that, on this occasion, the researcher intends to link this research study with Legitimacy Theory, which this theory focuses on the interaction between companies and society. This theory is one of the many theories mentioned in environmental accounting [6]. This concept shows a social interaction in which the company is responsible for society's expectations [7].

With social responsibility, a company or a business entity can maintain its survival to run its business properly. It is as said by the statement from the owner of the Batik House located in the Kembangan area of West Jakarta. "For the processing of waste, the batik-making house has made a waste collection site in the form of dug holes and septic tanks, but the results are still inefficient because it still creates an odour in the surrounding environment, and during the rainy season, because the shelter is made open, it causes the waste to overflow, causing puddles of waste products. the waste itself, however in this case, the gobang batik house has tried to provide waste management even though the results are considered not efficient in solving the problem of the waste it produces." It is in line with what was said by one of the respondents as an employee at the batik-making place whose job is to make batik and process the waste disposal products produced by the Batik House. Apart from that, in the night waste processing process, it is still carried out outdoors, which causes an odour during the burning process, disturbing the community with the process being carried out in their waste storage. It is reinforced by the statement of one of the leaders from the community in the West Jakarta Kembangan area. In the surrounding community, there is no closed fumigation area; when it comes to the rainy season, the reservoir location overflows and inundates the community road access, creating an unpleasant odour. Due to the absence of a closed shelter, it is hoped that the Rumah Batik shelter will be more closed not to disturb the surrounding community."

Based on the statement above, the batik house is still ineffective in overcoming the environmental pollution caused, as evidenced by one of the community leaders, the head of the local RT, who feels disturbed by the waste generated by the batik-making house. It is not following the theory of legitimacy, which states that interaction and responsibility are needed between a company or a place of business and the community, as evidenced by the persistence of complaints from the local community regarding the waste produced by gobang batik houses. The interview results were obtained by researchers from several informants regarding batik house waste in Kembangan, West Jakarta. It is considered that they are still ineffective in handling the waste treatment process they produce. In their waste treatment, it seems that they are just making shelters that do not follow the Batik House waste collection standards. In addition, there is no clear record of costs in the master financial report to explain environmental processing financing in handling waste products. It is one of the factors the researchers say that the production house located in the Kembangan area, West Jakarta, is still inefficient in handling business waste products.

Based on in-depth interviews with the owner of the gobang batik house, who said that this batik house does not have a special fee recorded for handling waste treatment. "In the waste treatment system being carried out, there is still no special record to ensure that the treated waste is good." In the statement above, it can be concluded that the Batik house business has not implemented a comprehensive model concept for environmental and
financial reporting, which is needed to help create a good impression of the company or business stakeholders to create a good impression in the eyes of investors, the government and the surrounding community, so that later the place of business can continue to continue its business opportunities. From the results of subsequent interviews, the owner of the batik house only explained a little about the cost of processing his waste. He said there was indeed no special record, but there were costs incurred for waste treatment. "There are costs incurred in processing waste, but these costs are not recorded in the financial statements" regarding expenditures for waste treatment proves that there is a good intention on the part of the Batik house management to deal with the problem of the waste produced, here’s the researcher explaining a little about waste treatment expenditure data which the Batik house issues in the form of a table below:

**TABLE II. EXPENSES DATA**

<table>
<thead>
<tr>
<th>Cost incurred</th>
<th>Expenditure amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pit digging costs</td>
<td>Rp5,000,000</td>
</tr>
<tr>
<td>Employee Wages 1-time Waste treatment/week</td>
<td>Rp400,000</td>
</tr>
<tr>
<td>Wages for Sucking Feces Car 1-time Waste treatment/week</td>
<td>Rp450,000</td>
</tr>
</tbody>
</table>

The data source is processed

From the results of the explanation above, the batik house has tried to take precautions in dealing with waste products from the place of business of the batik-making house. Still, the results obtained are considered not included in the PSAK recording report because there is no recognition, measurement, presentation or disclosure of a transaction or event that occurred in the process of processing batik house waste beside the absence of special records from the batik house manager, there is also no official waste processing permit from the government, this was also said by the owner (owner) of the batik house. "The batik house does not have an official permit, but the environmental management service has visited the batik house, only to give directions not to cause waste disposal indiscriminately." In the statement above, official permits are not just checking from environmental management agencies, not following government regulation Number 82 of 2001 concerning Water Quality Management and Water Pollution Control, Article 40 paragraph 1, which reads, "Every business and activities that discharge wastewater into water or water sources must obtain written permission from the Regent/Mayor." Apart from that, regarding the poor waste management system, it was also reinforced by a statement by one of the leaders from the community as the head of the local RT who is responsible for the Kembangan area, West Jakarta. "Assumed that he felt disturbed because the smell that was produced made residents feel uncomfortable, there was a discussion with the management of the batik house that the batik house had provided a waste storage area, but it was just a hole dug and not covered, causing an unpleasant odour and puddles during the rainy season." It can be said that even though the management of the Batik House has created a shelter structure, it is felt that it is not good at solving problems that the surrounding community feels. Shows a social interaction in which the company is responsible for society's expectations.

Researchers also try to compare the management of samples, population, methods used and research results to make a difference in each study through previous research. As is the case with previous research, Dowling et al. [26] whose research shows that the progress of the batik business sector in Pekalongan City tends not to be matched by the level of public awareness of the importance of protecting the environment. It has a negative impact in the form of river pollution caused by batik waste. One of the rivers in West Pekalongan District, namely the Asem Binatur River, is one of the rivers in Pekalongan City, polluted by batik waste. This study aims to identify public perceptions of pollution caused by batik waste, estimate community economic losses from batik waste upstream and downstream of the Asem Binatur River, and estimate the willingness to accept community compensation and compensation for batik business actors. The company has implemented the green accounting concept even though the cost allocation is not yet adjusted to the type of cost category.

In contrast to the research results obtained by researchers at the batik house business, in which the batik house has not yet implemented the concept of green accounting, besides that in the batik house business, there is no efficient and effective cost allocation and recording of financial reports and PSAK. So it can be concluded that the research made by Suratno et al. [27] does not align with what the researcher said. Meanwhile, according to previous research conducted by, According to Kiroyan [28] which in his research there was no understanding of the concept of financing for environmental management, and there was still a lack of awareness of the perpetrators of the UKM Tahu business place in responding to the concept of good and correct waste management, thus making research conducted for, besides that also in the financing system there is no special record. Hence, the researcher states that this research aligns with what the researcher said.

**V. CONCLUSION**

The conclusions obtained from this study are as follows: (1) research conducted by researchers has proven that Batik Houses located in the Kembangan area of West Jakarta are still not efficient in managing the waste they
produce because the waste they produce still. There are drawbacks where the waste treatment is made less efficient and still has a negative impact on the surrounding community. In practice, the waste treatment site seems to be made haphazardly and is not following the processing standards for good waste production houses. (2) If viewed from an accounting perspective, the efforts of batik houses are still unable to overcome environmental pollution because, at this stage, the batik manufacturing houses are still unable to predict the results of spending on the waste they produce, unstructured recording is contradictory when viewed from an accounting perspective. Because in every environmental cost management, it is necessary to consider effective and efficient environmental preservation by making the right decisions. When viewed from the Accounting Perspective, Batik Houses are still inadequate in terms of their waste treatment system. In this case, batik house businesses have not prevented, reduced, or avoided the impact on environmental pollution that they produce from the waste they own, which is not in line with the accounting perspective, which has principles to prevent, reduce, or avoid the impact on environmental pollution which can maintain the viability of a company or a place of business that strives for a kind of legitimacy or recognition from both investors, creditors, consumers, the government and the surrounding community; (3) Based on the research that the batik house researchers have done, it has been effective in processing the waste generated from the batik house, even though they have made a shelter, the waste storage area is still considered inefficient but is considered effective.

When viewed from the Conformity of Accounting Standards with Waste processing carried out by batik houses, it is felt that they are still not following existing accounting standards because, as we know, the basis of Accounting is management. Researchers see that in their waste management, no record is necessary to regulate the recognition, measurement, presentation or disclosure of a transaction or event.

From the points of the conclusion above, the researcher can draw overall conclusions based on findings in the field and the analysis carried out on the processing of batik house waste. The researcher concludes that the waste management made by batik houses is still ineffective in dealing with the waste problems they produce. It is evident from the many responses from residents who feel disturbed by the waste produced by the batik house. Even though the batik house business place has made a container to accommodate the waste products, it is still felt to be ineffective in dealing with pollution caused by the batik house. In addition, batik houses do not yet have a system for managing, recording and financing analysis to predict the results of the waste costs they incur, so the waste management system they create is less effective. Besides that, the absence of official permits pocketed by the batik house in waste management can impact the business continuity in the future because it is considered unofficial in the waste management system they produce. There is concern that the absence of an official permit may conflict with government regulations governing production waste management. For this, it is necessary to have social interaction between the manufacturing house business and the surrounding community, where the company is responsible for the expectations of the community for the continuity of the batik house business itself.

ACKNOWLEDGMENT

This research was supported by Universitas Prof. Dr. Moestopo (Beragama) and Universitas Teknologi Yogyakarta. The Researchers would like to thank Mr. Agil Mahendra for finalizing this manuscript.

REFERENCES


