

Accounting and Sustainability Practices grounded in Spirituality and Ethics

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Abstract

This study investigates the potential impact of spirituality and ethics, particularly within the Islamic religion on advancing sustainable accounting principles and reevaluating the modern capitalist paradigm. This study aims to demonstrate integrating spiritual and ethical principles into accounting methods to enhance transparency, fairness, and accountability. It will achieve this through examining case studies and an extensive review of relevant literature. Moreover, the study assesses how this method might facilitate the shift towards a more sustainable paradigm, wherein corporations prioritize financial gain and the societal and ecological consequences of their activities. Incorporating spiritual principles into accounting methods involves integrating these values into the decision-making process, which will have a long-term impact on the organization. Adopting these principles enables companies to meet regulatory requirements, improve operational effectiveness, and generate additional benefits for all stakeholders, including shareholders, employees, communities, and the environment.

Keywords: Accounting Practices, Accounting, Sustainability, Spirituality, Ethics, Indonesia

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Introduction

In the face of increasing global economic and environmental issues, there is a growing demand for business and accounting processes to adjust and develop. Companies are adopting sustainability reporting to address the demands, challenges, and critiques of stakeholders who need more information on company operations' social and environmental effects (Boiral, 2013). Capitalism, when implemented, frequently prioritizes attaining the utmost financial gain, occasionally disregarding social and environmental obligations. The current global crisis, encompassing climate change, economic inequality, and ecological degradation, necessitates a fundamental reform in the principles of capitalism and the corresponding accounting methods. Accounting practice is a discipline influenced by and strongly connected to organizations, individuals, the environment, and local belief systems. Accounting plays a substantial role in shaping the progress of society, and inversely, the advancement of society also influences

accounting (Darmayasa et al., 2015). Accounting practice, commonly perceived as a field dealing with numbers and financial information, is an intricate and multifaceted area of study. Accounting encompasses more than just financial computations and reporting; it is also significantly impacted by external elements, including organizational structure, human dynamics, environmental conditions, and local religion and ideology. This demonstrates the interconnectedness and mutual effect of accounting, the discipline concerned with financial information and management, and sociology, which examines society and its social dynamics.

The accounting field encompasses more than mere numerical calculations and reporting; it involves broader and intricate aspects. The practice's continuous engagement and adjustment with the social, organizational, and environmental surroundings indicate that spiritual and ethical ideals significantly influence its formation. Integrating spiritual and moral principles into accounting practices can improve openness and accountability and guide for corporations to make more socially and environmentally responsible choices. By examining diverse spiritual and ethical traditions, such as Islam, Christianity, Hinduism, and Buddhism, we can discover universal principles that advocate for equitable and environmentally responsible corporate operations. This study examines the incorporation of spiritual and ethical values, particularly within the Islamic religion, into accounting systems. It will explore how these concepts might contribute to the transformation of capitalism, shifting its focus from short-term profits to long-term sustainability. This study emphasizes the significance of incorporating these ideas into accounting methods, with the objective of transforming capitalism into a more sustainable and ethical paradigm.

Research Design and Method

This study uses case study methodologies and thoroughly examines existing literature. This study used a descriptive qualitative approach to examine the significant values associated with spirituality and ethics in accounting. It then investigates the incorporation of these values into accounting and sustainability practices, followed by an interpretation of the findings. The research is systematically analyzed and discussed in Figure 1. The research process begins with examining the evolution of accounting practices and sustainability within the framework of capitalism. Subsequently, an analysis is conducted to evaluate the gathered spiritual and ethical principles, which are then combined with accounting and sustainability methodologies. The reference value was derived from a comprehensive analysis of the sacred text Al-Qur'an, which serves as a guiding principle for the Islamic faith. The introductory topic is an overview of accounting procedures and their relationship to sustainability within the context of capitalism. Subsequently, the text elucidates the significance of incorporating spiritual and ethical principles into accounting and sustainability methodologies. The subsequent discourse phase involves the assimilated notion that incorporates accounting and sustainability methodologies.

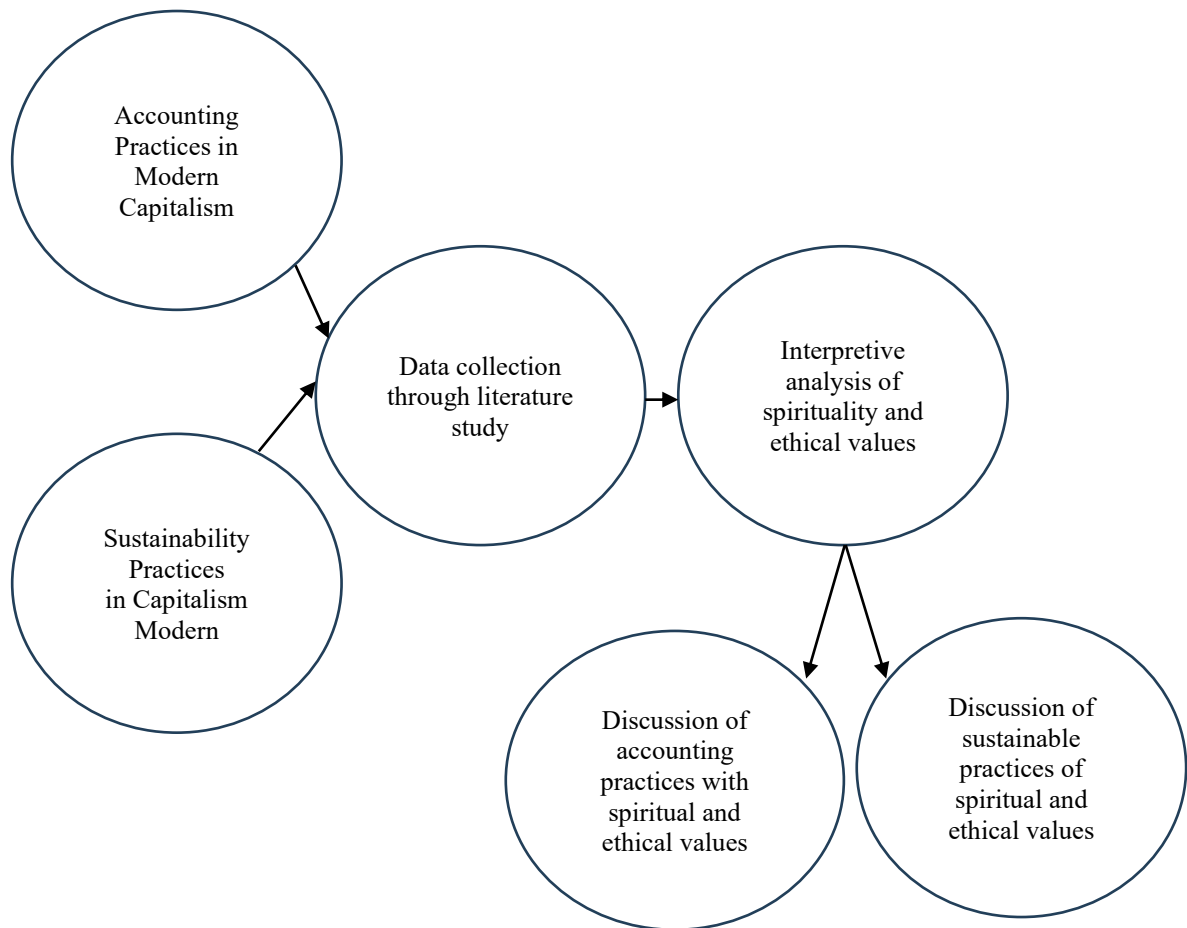


Figure 2. Systematic Analysis and Discussion

Results and Discussion

Accounting Practices and Sustainability in the Capitalism Paradigm.

Accounting is a systematic procedure encompassing activities such as recording, clarifying, summarizing, processing, and presenting information. This information is the foundation for making decisions (Darmayasa et al., 2015). Accounting has predominantly emphasized quantitative data in the past few decades. Nevertheless, due to the influence of company expansion and stakeholder demands, current accounting processes have transformed, becoming increasingly intricate. Contemporary accounting needs to capture the non-economic phenomena corporations produce (Triyuwono, 2006). The primary objective of modern accounting is to report profit, primarily for the advantage of capital owners. Consequently, accounting information tends to prioritize the interests of these owners, sometimes disregarding the interests of other parties involved. Accounting has a substantial and crucial impact on the development of capitalism, as explained by Mathew & Perere in 1993. The amalgamation of capitalism and science has undeniably yielded technological advancements that have brought about profound metamorphosis in contemporary society. The three primary pillars of science, technology, and capitalism synergistically produce a logical network emphasizing instruments, efficiency, bureaucracy, and cost/benefit analyses. The objective is to empower and educate individuals, aligning with the ideals of the Enlightenment period, as articulated by Sombart in 1924 (Nursanty, Kartini, Yuliati, et al., 2023).

The primary objective of the Enlightenment era was to liberate individuals from the constraints that hindered their realization as authentic human beings. However, humanity was ensnared in different restraints, precisely the utilitarian logic of science and commerce. Paradoxically, humans experience a decline in strength and vulnerability due to their adoption of rationality and even become subordinate to the emergence of their rationality, specifically science and capitalism (Nursanty, Kartini, Yuliati, et al., 2023). Pursuing pure logic and material advancement through science and capitalism frequently leads to neglecting significant parts of human experience, such as spiritual and ethical values. Various immeasurable facets of human existence that cannot be articulated by numerical or logical means are being ignored. Due to its focus on economic expansion and amassing wealth, capitalism has fostered advancement that frequently comes at the cost of human welfare and ecological durability.

Capitalism, accounting, and the framework of capitalist society reflect the inherent traits of the individual "self." The "self" exhibits two contradictory traits: selfish inclinations that consistently favor one's interests and altruistic tendencies that value the interests of others. These two characteristics influence individuals' cognition, conduct, and decisions. When self-interest prevails over altruism, individuals are driven to impact the field of economics and accounting, both in theory and practice, by creating structures and systems that uphold these notions in reality (Triuwono, 2012). Within the framework of capitalism, self-centered inclinations can propel the development of strategies and methodologies that emphasize monetary profit and economic expansion over all other considerations. Within the accounting field, this is evident through prioritizing profit and loss statements and utilizing short-term financial success metrics. This approach frequently disregards company operations' social and environmental consequences, as its primary emphasis is on enhancing shareholder value.

Companies have a substantial impact on tackling various global challenges, such as climate change, social inequality, and economic sustainability, through their operations and commercial strategy. Corporations are crucial in attaining the Sustainable Development Goals (SDGs). The importance of sustainability reports becomes increasingly evident as the awareness of social responsibility and the emphasis on corporate sustainability in financial markets expand. Based on the Sustainability Reporting Survey conducted by KPMG in 2020, it was found that 80% of the top 100 global companies have provided reports on their sustainability initiatives. Furthermore, there is a noticeable transition from social responsibility reporting to sustainability reporting, indicating a shift in focus towards sustainable practices. The dissemination of sustainability information has emerged as a crucial means for stakeholders to access non-financial information about corporations and comprehend the external impacts of their company operations (Xu et al., 2023). Companies can demonstrate their commitment to sustainability by adhering to sustainability reporting standards and openly sharing information about their practices. They can also proactively engage in innovation and build sustainable business models to showcase their awareness of sustainability (Walker & Wan, 2012). Nevertheless, certain companies exploit the market's inclination towards sustainability reporting by using "greenwashing" practices. This involves exaggerating their sustainable advantages in management or business to persuade investors and other stakeholders to accept their social and ecological values, capabilities, or contributions (Xu et al., 2023).

The accounting philosophy of *manunggaling kawulo gusti*, which emphasizes oneness in accounting, is based on paired epistemology (Triyuwono, 2006). The idea discussed here is derived from the Qur'an, specifically Surah Yaasin, verse 36. This verse acknowledges the greatness of Allah, who has created everything in complementary pairs, including what grows on the land and what exists within living beings, even those things that humans are unaware of. This verse exemplifies that all items are formed in complementary pairs. In addition, Triyuwono (2006) provides a more comprehensive depiction of accounting reality as follows: (1) A drawback of modern accounting is its self-centered attitude. By prioritizing profit maximization for the benefit of shareholders or management, the corporation will exploit individuals and the natural environment. This results in disregarding the rehabilitation process aimed at preserving the environment due to the perception that it entails significant expenses, potentially reducing revenues. The significance and actuality of accounting diminish. Hence, to achieve comprehensiveness, it is imperative to adopt an altruistic attitude that encompasses profit-driven conduct and a greater inclination towards sharing with others and the surrounding environment. Nature conservation is implemented while considering the local community's well-being and other social initiatives. (2) Contemporary accounting mainly emphasizes tangible elements (associated with masculinity) while disregarding and even excluding the intangible (spiritual) realm, which is associated with femininity. The symbolism in accounting, consisting of tangible elements, guides management and users towards a focus on material possessions, reinforcing and enhancing the materialistic nature of reality. Consequently, humans are influenced and controlled by material possessions.

Contemporary accounting typically prioritizes materialistic perspectives, sometimes neglecting spiritual values, even though the individuals involved in accounting are human beings with both material and spiritual dimensions (Triyuwono, 2006). When accounting processes prioritize material considerations, particularly profit, the resulting conduct aimed at achieving these aims can lead to rule infractions and the erosion of ethical principles, religion, and morality. Hence, contemporary accounting, which revolves around capitalism, might generate accounting methodologies that are disengaged from the societal values of a particular region (value-neutral), leading to a limited and incomplete representation of the ensuing social environment.

Over time, the public's expectations of corporations have transformed, placing greater emphasis on environmental concerns and consumer safety. Meeting these societal expectations is intricately linked to the ethical conduct of businesses (Sudana, 2019). Organizations must incorporate moral and spiritual values into their operations to fulfill these expectations. There have been numerous criticisms of accounting and sustainability practices in recent decades, encompassing conceptual and execution concerns. In his work, Budi Sulistiyo (2017) elucidates that the present condition of affairs unveils many accounting scandals and manipulations in corporate financial statements, accompanied by a conspicuous disregard for social and environmental responsibility. This signifies a notable change in the conduct of accounting professionals. This circumstance indicates that accounting still needs to represent fully and accurately the actual state of affairs in the corporate sector.

The Need for Religious and Ethical Values

The emergence of spiritual values in human consciousness is not arbitrary (Durkheim, 2011). The presence and progression of spiritual values in humans do not occur randomly or without a distinct foundation. Religion entails cultivating and progressing spirituality within the human psyche (Sulistiyo, 2011). The function of religion in fostering and preserving the spiritual elements of human existence elucidates that religion encompasses more than just a collection of exterior convictions and rituals; it also serves as a conduit for individuals to investigate, cultivate, and enhance their spiritual nature. Religious beliefs are a powerful impetus for individuals to strive and behave constructively within the professional environment. Religious doctrines that prioritize empathy can facilitate the development of happy professional relationships. Moreover, tolerance and reverence for diversity hold significant value in a work setting characterized by multiple cultures. Religion emphasizes the significance of making judgments based on robust beliefs rather than solely considering economic factors, fostering integrity and accountability. Religion asserts that individuals will be held responsible for their deeds in the present life and the afterlife, thereby cultivating a heightened feeling of responsibility.

Religion catalyzes enhancing human conduct and acts as a moral compass in several aspects of life, including professional conduct (Turner, 2012). Religion imparts fundamental principles such as veracity, reliability, moral uprightness, fairness, and empathy. These principles constitute the ethical basis that governs personal conduct in everyday life, especially within professional settings. Religion offers a structure for cultivating character, promoting individuals to behave ethically, particularly in a professional environment, and, for instance, refraining from engaging in behaviors that cause harm to others and placing greater importance on collective interests rather than individual benefits. Religious individuals may draw upon their religious teachings to seek assistance when making ethical decisions, particularly in challenging or morally complex situations encountered in professional contexts. Moreover, religions frequently emphasize the significance of tending to the well-being of one's fellow citizens. This prompts professionals to contemplate the societal and ecological consequences of their actions.

The Islamic faith encompasses spiritual principles elucidated in the holy book Al-Qur'an. Among these qualities are fairness and equilibrium, as mentioned in the verse Q.S. Ar-Rahman 55:7-9, which states: "And the heavens have been raised high and He has established balance." In this verse, the value of spirituality is depicted as establishing a moral framework for accounting and business practices and necessitating alterations in how organizations perceive their success. This includes considering financial gains and the social and environmental consequences of their actions to preserve and uphold a fair and equitable balance. Striking a balance between pursuing profits and maintaining social and environmental responsibility is crucial in corporate operations to promote sustainability without prioritizing financial gains over the environment's well-being and social equity. It is imperative to ensure equitable and responsible management of resources, preventing excessive exploitation that may harm the environment and society.

Within the sustainability framework, the passage in Q.S. Ar-Rahman (55:7-9) reminds enterprises to exhibit accountability in terms of finances and social and environmental considerations. Ensuring equilibrium in business entails not solely striving for financial gains

but also considering the company's operations' economic, social, and environmental ramifications. This verse can be understood as a plea for implementing sustainable business practices involving managing corporate resources and the environment. The goal is to ensure that current business operations do not harm future generations. This paragraph provides an all-encompassing perspective on equilibrium, impartiality, and accountability governing sustainable accounting and business operations. These concepts highlight the significance of engaging in business activities focusing on ethics, responsibility, and sustainability. Incorporating these principles can contribute to the establishment of a more sustainable, equitable, and accountable enterprise.

The additional significance of spirituality can be derived from Q.S. An-Nisa (4:58), wherein it is stated: "Verily, Allah has enjoined upon you to deliver the message to those who are deserving of it, and when you arbitrate between people, you must do so with impartiality." Indeed, Allah is the supreme being who imparts knowledge to you. This verse emphasizes the omnipotence of Allah, who can hear and see everything. It conveys the notion of accountability and reliance, highlighting the significance of upholding moral and ethical obligations in all endeavors, including business and financial transactions. It underscores the understanding that every choice carries consequences beyond mere monetary gain. Monetary. Within the sustainability framework, this passage is a directive to exercise accountability in managing corporate resources, encompassing financial, social, and environmental dimensions. Companies must effectively allocate their resources to achieve economic profitability and consider their operations' social and environmental consequences.

This paragraph encourages organizations to oversee their assets and resources effectively and ethically. This encompasses the management of human, financial, and natural resources in a manner that guarantees equity and long-term viability for all parties involved. This verse also serves as a reminder that ethical and moral considerations should guide every choice and action in business. Business decisions should prioritize holistic welfare, considering long-term benefits rather than solely focusing on immediate financial profits. The values expounded in this paragraph encompass the fundamental principles of trust, honesty, and responsibility that ought to be incorporated into accounting and company operations, particularly within the sustainability and corporate social responsibility framework.

Accounting Practices and Sustainability with Spirituality and Ethics Values

Accounting can be described as a synthesis of rationalism and empiricism. This is because accounting employs logical reasoning to examine transaction data, which is then utilized to prepare financial reports (Rifai & Asrori, 2023). Based on rationalism and empiricism, accounting highlights the significance of employing logical and analytical reasoning while examining transaction data. Accounting is a thorough process that combines empirical data from actual financial transactions with the rational application of accounting theory and principles. The primary objective of accounting is to generate precise financial statements that depict the true nature of financial transactions and offer valuable insights and analyses for stakeholders. By adopting this method, accounting practice transcends mere numerical recording and evolves into a pivotal instrument for decision-making.

As a scientific study and practice, accounting is molded and impacted by its environment during its evolution (Rifai & Asrori, 2023). Accounting has evolved into a

distinct field of study and application, shaped and furthered by ongoing interaction with the surrounding context. The area of accounting is not just determined by established accounting principles and theories. Still, it is also significantly impacted by external factors such as regulatory changes, technological advancements, and economic and social dynamics. Moreover, accounting is influenced by social norms and expectations of different stakeholders, including investors, creditors, and governments, who are vested in clear and precise financial statements. Accounting in a global context necessitates the adjustment to various standards and procedures, which mirror the diversity and intricacy of the international corporate environment. As a dynamic field, accounting reflects the present condition of the economy and business and actively influences the future financial and economic environment.

From an etymological perspective, the term "accounting" can be traced back to the Arabic word "muhasabah" (Astuti, 2017). Muhasabah is derived from the Arabic term "hasaba" and can be pronounced in conjunction with other words such as hisab, hasibah, and hisaba. The term "muhasabah" linguistically denotes the act of carefully evaluating or giving due consideration to something. The term "muhasabah" encompasses the meanings of both 'calculate' and 'reflect'. In the context of accounting, it refers to the fundamental nature of accounting practice, which goes beyond mere recording and computation of financial figures. It also involves the process of introspection and assessment of financial conditions. Accounting extends beyond the mere recording of financial transactions, serving as a tool for companies or individuals to introspect and evaluate their financial well-being, strategize for the future, and make well-informed choices. Accounting facilitates stakeholders to conduct rigorous evaluations of financial accomplishments, identify areas for enhancement, and gauge advancement towards financial objectives, in line with the principle of "muhasabah" that underscores the need of introspection and responsibility. Hence, accounting serves as a crucial foundation in financial administration and also functions as a tool for fostering sustainable progress and advancement, both on an individual and institutional level.

Spiritualism, also known as spirituality, is a cognitive approach driven by emotions that influences thoughts, aspirations, and emotions, and is closely associated with a believe in Allah SWT (Rifai & Asrori, 2023). Spirituality significantly influences the trajectory and caliber of an individual's thoughts, volition, and emotions. This idea encompasses not just cognitive and affective processes, but also has a strong connection to spiritual connections and believe in Allah SWT. In this particular context, spirituality encompasses more than just religious rituals. It represents a comprehensive outlook on life, where a deep-rooted faith in and adherence to a higher power serves as the fundamental basis for all facets of existence. This entails incorporating spiritual principles into daily choices, so imbuing life experiences with a profound and significant outlook. Those who adhere to spiritual principles often lead a life characterized by heightened consciousness, forbearance, and compassion, and possess a profound inclination to comprehend and embody the divine will of Allah SWT in all facets of their existence.

Humans are intricate and multifaceted beings, with two primary components: the material and the spiritual, referred to as 'jasadiyah elements' and 'ruhaniyah' in Arabic. The bodily element pertains to the corporeal side of individuals, specifically the physical body and all aspects associated with physical necessities and engagement with the tangible realm. This element encompasses all sensory experiences, including physical well-being, perception, and

observable bodily movements. These qualities are quantifiable, subject to scientific analysis, and comprehensible through empirical observation. Conversely, the spiritual aspect pertains to the metaphysical aspect of human beings, specifically encompassing the soul, emotions, cognition, and convictions. This feature is intangible and elusive, yet it holds significant sway in shaping an individual's identity, principles, drive, and aspirations. Providing spiritual encouragement has the potential to elevate the material aspect of human beings to the spiritual realm, encompassing the spirit and divine spirit (Witurachmi, 2010). An effective approach is to comprehend and assimilate the essence of the teachings on the existence of the divine being, conveyed via the teachings and exemplification of His Messenger. This will result in the cultivation of benevolence and contentment in both the present life and the afterlife for fellow human beings. "Truly, the Messenger of Allah (Muhammad SAW) embodies the finest exemplar (al-uswat al-hasanah)." The verse is from Surah Al-Ahzab.

Spirituality is a significant factor in influencing persons towards ethical and moral action within the context of ethics (Rilah & Riwayatanti, 2019). In this perspective, spirituality is regarded as an individual quest for significance or direction in life and a wellspring of inspiration and counsel for ethical and conscientious behavior. By attaining spiritual insight, individuals are inclined to cultivate a heightened consciousness of virtues such as integrity, benevolence, compassion, and fairness. It contributes to developing individuals' character and ethics, motivating them to behave more responsibly and compassionately towards others and the surrounding environment. Spirituality is more than an individual's quest for tranquility or enlightenment; it also encompasses the transformative impact of this quest on one's interactions with the world. It is a powerful instrument for fostering moral and ethical growth, seamlessly incorporating spiritual ideas into daily existence. This leads to conduct that is beneficial for the person, society, and the environment at large. According to Rahayuningsih (2012), spirituality and religion are inseparable. Religion, within the context of ethical theory, serves as a foundation that can be utilized to discern and distinguish between moral and immoral actions and determine what is morally correct and incorrect. What is the purpose of using religion as a foundation for moral principles? God possesses the ultimate authority in establishing the highest standards for moral and genuine principles (Triyuwono, 2015). The components of spirituality in ethics and religion are interconnected.

The foundation for the directive to adopt Accounting in the Qur'an is derived from Surah Al-Baqarah verse 282, which states: "O believers if you engage in financial transactions that are not settled immediately, it is imperative to document them." Moreover, allow a writer among you to transcribe it accurately. The writer should not hesitate to transcribe it as Allah has instructed. Therefore, they should proceed with writing, and the debtor should recite the written words. The debtor must have reverence for Allah, their Lord, and refrain from diminishing their debt in any way. If the debtor is mentally incapacitated or physically incapable of making an offer, or if he cannot do it himself, then his guardian should make an offer truthfully. Moreover, provide testimony with two male witnesses from your midst. If there are fewer than two males available, it is permitted to have one guy and two women as witnesses, provided that if one of them needs to remember, the other person will remind him. The witnesses ought to exhibit confidence in providing information when summoned and should persevere in recording debts, regardless of their magnitude, until the stipulated payment date. By adhering to this approach, one can ensure greater fairness in the eyes of

Allah, enhance the credibility of one's testimony, and minimize potential uncertainties. This principle applies to all transactions, except for monetary trades, which do not require written documentation and hence do not incur any wrongdoing if not recorded. Ensure that you observe and testify during transactions and that the person recording and witnessing the transaction does not create unnecessary obstacles for one another. If you engage in such behavior, it is undoubtedly an act of malevolence on your behalf. Moreover, have reverence for Allah; Allah imparts knowledge to you, and Allah possesses comprehensive knowledge of all things."

The user's text is "Content". Verse 282 of Q.S. Al-Baqarah provides detailed instructions on caution, openness, and equity in financial dealings. This paragraph offers explicit guidance on documenting and overseeing transactions related to accounts payable and receivable, which is a fundamental component of accounting procedures. The verse underscores the significance of precise documentation and recording in non-monetary financial transactions within this framework. This demonstrates the significance of accounting in upholding equity and integrity in economic transactions, guaranteeing that all parties comprehend their responsibilities and entitlements. This paragraph emphasizes the necessity of documenting transactions in written form by a skilled and impartial writer, highlighting the significance of dependability and impartiality in accounting records. Moreover, this verse also instructs the borrower to truthfully disclose the details of the contract, highlighting the significance of personal honesty in monetary dealings. This statement embodies the accounting principle that financial information should accurately represent the true economic nature of transactions without manipulation or distortion. The verse generally presents ethical guidelines in accounting that align with contemporary accounting standards, such as integrity, precision, openness, and responsibility, all within the fundamental framework of faith and dedication to Allah SWT.

The internalization of spiritual values in the Koran within accounting processes pertains to the assimilation of ethical and moral concepts derived from the teachings of the Koran into a corporation's accounting practices and policies. It is essential to adhere to established accounting standards and uphold principles such as fairness, openness, responsibility, and balance in all aspects of financial management. The principles of fairness and equilibrium found in Q.S. Ar-Rahman (55:7-9) can be a compass for achieving openness and accountability in financial reporting within accounting. Financial reports should accurately depict the actual state of corporate operations, devoid of any manipulation or suppression of information, to enable stakeholders to make well-informed and equitable decisions. Incorporating these principles into accounting entails guaranteeing the honest and precise recording and reporting of all transactions. This entails refraining from engaging in behaviors such as tax evasion, illicit financial transactions, or fraudulent manipulation of financial records. By internalizing these principles, the organization can enhance the trust of investors, creditors, consumers, and other stakeholders, yielding a favorable impact. Trust is crucial for maintaining a business's reputation and ensuring long-term sustainability.

Sustainability Report

A Sustainability Report is a document that a company releases to its stakeholders, providing detailed information about its economic, environmental, social, and governance performance. These aspects are essential to the company's day-to-day operations (Farhana & Adelina, 2019). Sustainability reports are crucial publications companies issue to demonstrate their responsibility and transparency towards stakeholders. In this report, companies aim to disclose their actions and contributions towards sustainability challenges, particularly their response to the global warming phenomenon. This demonstrates corporations' endeavors to attain financial gain and conduct their operations in an environmentally and socially responsible manner. Amidst the backdrop of global warming and other sustainability issues, this report is a crucial tool for companies to showcase their efforts and actions in mitigating adverse environmental effects. These include reducing carbon emissions, adopting responsible waste management practices, and optimizing energy consumption. In addition, this study also addresses social dimensions such as employee well-being, societal impact, and ethical conduct in business. The Global Reporting Initiative (GRI), a non-profit multinational organization, promotes sustainability reporting to foster transparency and accountability in sustainability reports. GRI offers a comprehensive structure and set of criteria that firms worldwide can utilize to develop their sustainability reports. The purpose of these standards is to assist companies in systematically and responsibly identifying, gathering, and disclosing pertinent sustainability data.

A company, a commercial entity, is a legally recognized organization established and authorized by specific laws or regulations (Suyudi, 2012). Hence, its presence is acknowledged and assured to be legally valid. This implies that the entity is a product of human creation, and legally recognized and enforceable regulations constrain its existence. Within this environment, moral and social responsibilities are included in a framework encompassing legal and ethical considerations. Business ethics encompasses a set of moral principles that guide judgments of what is morally right or wrong within the business context (Suyudi, 2012). Internalizing spirituality in accounting practice incorporates fairness, compassion, and environmental responsibility into decision-making, influencing the company's long-term outcomes. This underscores the significance of adopting decisions that prioritize financial gain and the well-being of individuals and the environment to ensure organizations' long-term viability during shifts and emergencies. Figure 2 illustrates integrating accounting and environmental principles with spirituality and ethical ideals. The primary objective of the sustainability reporting and accounting framework is to enhance the establishment of sustainable development by prioritizing social and environmental sustainability in all operational activities of an organization (Cendika, 2021). Accounting and sustainability strategies that absorb spirituality and ethical values entail incorporating moral principles and ethical deliberations into company activities and decision-making processes. Within this framework, accounting is not solely regarded as a mechanism for computing financial data but also a vehicle for achieving social responsibility and sustainability. An accountant must utilize accounting data that is in the public interest, demonstrates social responsibility, and adheres to established regulations (Fischer, 2015). Incorporating spirituality and ethical principles into accounting and sustainability processes can be elucidated by employing value-based accounting practices and making decisions based on

spirituality and ethics.

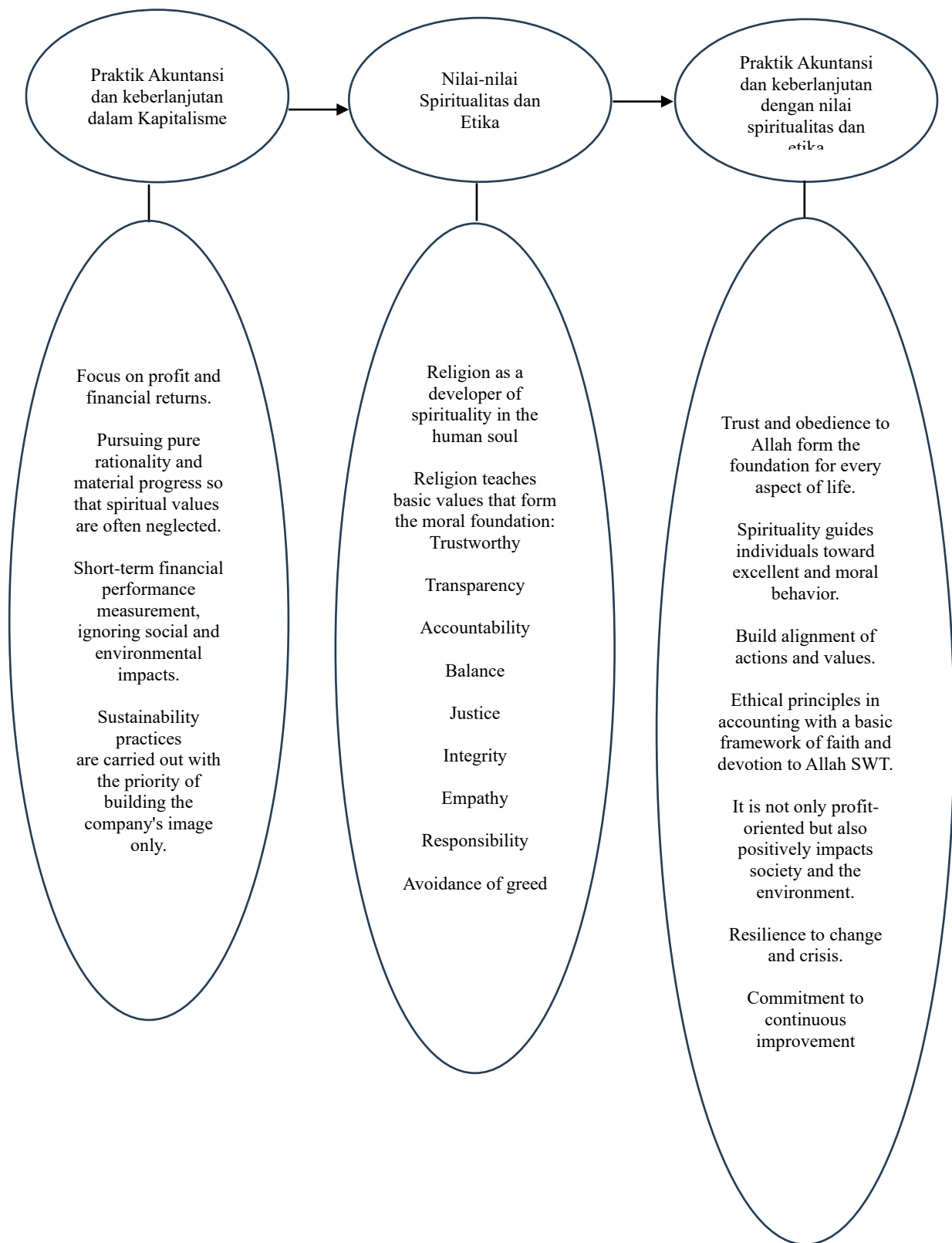


Figure 2. The concept of accounting and sustainability practices with spirituality and ethical values

Verse 4:58 of Surah An-Nisa highlights the significance of upholding justice, honesty, and duty when entrusted with responsibility. The values of justice and trust, bestowed by Allah SWT, hold immense significance as they remind humanity of the cruciality of adhering to these principles in their lives. The assimilation of these principles can be included in accounting processes grounded in values, emphasizing the importance of transparency and integrity in the disclosure of financial information. Financial reports must accurately depict the operating realities of the organization without any manipulation or distortion of the facts. Moreover, accounting serves the purpose of documenting the company's financial performance and assessing its influence on society and the environment. This includes the documentation of environmental sustainability, corporate social responsibility (CSR), and socio-economic effects. Accounting focuses on generating profits and contributes positively to society and the environment. Within accounting and business procedures, this verse is the foundation for placing the utmost value on honesty, integrity, and fairness in all transactions and choices. It also serves as a reminder of the significance of responsibly managing resources and the trust bestowed upon us.

In Q.S. Ar-Rahman (55:7-9), the significance of balance, fairness, and responsibility in upholding equilibrium and harmony in various domains of life, including economic and business endeavors, is underscored. The assimilation of these principles can be implemented in the context of spiritual and ethical decision-making processes in business, encompassing financial and investment choices. Within this framework, spirituality and ethical principles can guide firms in assessing the ethical consequences of their actions, including their effects on employees, consumers, communities, and the environment. The company will adhere to stringent ethical standards, refraining from engaging in activities such as tax evasion, financial fraud, and other unethical behaviors. Companies will be incentivized to engage in voluntary sustainability reporting, which entails quantifying and disclosing the environmental consequences of their operational activities. This may involve initiatives to mitigate carbon emissions, optimize energy consumption, and minimize waste generation. Within accounting and sustainability practices, these verses offer counsel on upholding equilibrium and impartiality in corporate operations. These encompass the concepts of financial reporting transparency, transactional justice, and environmental and societal responsibility. This paragraph offers additional counsel on the importance of businesses not simply prioritizing profits but also considering their actions' social and environmental consequences.

In "Landmarks of Tomorrow," Drucker (1996) asserts that individuals must re-embrace spiritual values, as humans are not solely biological and psychological beings but also possess a spiritual dimension bestowed by a divine creator (Nursanty et al. et al., 2023). A public accountant with an intense spirituality can effectively serve the public interest by presenting accurate and rational financial information. By imbuing every member inside a firm with spiritual principles, all company activities, including accounting processes and sustainability, will become more centered and purposeful. Human spirituality is crucial for attaining a state of harmony with an environment that fosters enjoyment (Muthahhari, 2014).

An accountant who lacks spiritual values is more prone to engage in unethical behavior within their profession. On the other hand, a strong sense of spirituality can stimulate a creative mindset that enables accountants to discover inventive solutions when faced with challenging circumstances (Fischer, 2015). Elevated spirituality fosters a heightened sense of

responsibility, adherence to regulations, and abstention from unethical behavior. Conversely, a deficiency in human spiritual values leads to a proclivity for unethical behavior, frequent rule-breaking, and a lack of accountability. Spirituality instills in humans a sense of accountability towards their organization and society while emphasizing a greater sense of obligation towards God.

Incorporating spiritual and ethical principles into accounting methods offers numerous benefits for accounting professionals, companies, and society. Accounting professionals who internalize spiritual and ethical values can achieve honesty and accuracy in financial reporting. They will strive to refrain from manipulating data and provide transparent and precise financial information, which is crucial for making well-informed and equitable decisions for all parties involved. These qualities will indirectly contribute to establishing trust and credibility among accounting professionals and companies. By internalizing these values, accounting professionals can mitigate legal risks associated with infractions of accounting standards or non-compliance with rules. This can positively impact the organizational culture, fostering greater transparency and accountability and enhancing company performance.

The incorporation of internalized spiritual and ethical principles is crucial for establishing a company climate that is more ethical, transparent, and sustainable. This enhances the caliber of accounting processes and fosters the advancement of a fairer and ethically accountable economy. Incorporating spiritual principles fosters the advancement of novel company frameworks that prioritize the well-being of individuals and the environment. This encompasses business models that address social and environmental issues and implement sustainable practices.

Conclusions

Religion significantly influences moral standards and ideas that serve as the foundation for individual conduct. The moral principles of trust, honesty, integrity, justice, accountability, and compassion, which are instilled by religion, serve as the ethical bedrock that governs individual conduct in daily life. These values are crucial in personal matters and highly pertinent and significant in everyday situations. They are experienced and skilled in a professional setting. Religion offers a potent moral structure that aids individuals in making ethical and accountable choices in their personal and professional lives, influencing their behavior in work and business.

Incorporating spiritual principles into accounting methods entails incorporating these principles into the decision-making process, influencing the organization's long-term outcomes. This underscores the significance of adopting decisions that prioritize not only financial gain but also the well-being of people and the environment to ensure organizations' long-term viability during shifts and emergencies. The spiritual principles outlined in the Qur'an can serve as a robust foundation for ethical, sustainable, and responsible accounting and business practices. These practices prioritize financial gains and aim to generate a wider positive influence on society and the environment. They consider the sustainability of resources, social fairness, and the well-being of future generations. Incorporating these principles enables companies to meet regulatory requirements, improve productivity, and generate additional benefits for all stakeholders, including shareholders, employees,

communities, and the environment.

Future studies can investigate integrating spiritual values into accounting theory and practice, which can lead to methodological innovation and theory development. Research can investigate the implementation of ideals such as justice, transparency, and responsibility in accounting practice. This has the potential to foster a novel paradigm in accounting study. Subsequent studies could explore how public policies and regulations can be influenced to promote ethical and sustainable accounting and business practices. Additionally, they could investigate methods of incorporating ethical and spiritual values into these policies. Moreover, opportunities will arise for cross-cultural study aimed at comprehending the impact of spiritual and ethical principles from diverse cultural traditions on accounting and financial processes within different social and economic settings. This research offers accounting practitioners, policymakers, and academics valuable insights regarding integrating spirituality, ethics, and sustainability within a contemporary accounting framework.

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