

The Effect of Sustainability Accounting, Work Environment, and Leadership on Employee Performance

Ni Kadek Dwi Ayu ANGGRENI¹, I Made SARA², Komang Adi Kurniawan SAPUTRA³

^{1,2,3}Faculty of Economics and Business, Warmadewa University Denpasar, Bali, Indonesia

Article Info:

Article History:

Received: 2023-02-20

Revised: 2023-03-16

Accepted: 2023-04-06

Keyword:

Sustainability Accounting,
Work Environment,
Leadership, and Employee
Performance

Corresponding Author:

Ni Kadek Dwi Ayu
Anggreni

Email:

dwiayuangugreni0305@icloud.com

Paper Type:

Research Paper



Abstract:

Purpose:

This study examines and analyzes the effect of Sustainability Accounting, Work Environment, and Leadership on Employee Performance.

Methodology:

This research was conducted at the Office of the Central Bureau of Statistics of Bali Province with a sample of 60 respondents using a saturated sampling technique. All data obtained from the questionnaire distribution is feasible, then analyzed using multiple linear regression and hypothesis testing (t-test and f-test).

Findings:

The study results show that (1) Sustainability Accounting positively affects Employee Performance at the Office of the Central Bureau of Statistics of Bali Province. It shows that the better or increasing the Sustainability Accounting, the more employee performance will also increase at the Office of the Central Bureau of Statistics of the Province of Bali (2) The work environment has a positive effect on Employee Performance at the Office of the Central Bureau of Statistics of the Province of Bali. It shows that the better or increasing the work environment, the more employee performance will also increase at the Office of the Central Statistics Agency of the Province of Bali (3) Leadership has a positive effect on Employee Performance at the Office of the Central Statistics Agency of the Province of Bali.

Implication:

It shows that the better or increasing the leadership, the higher the performance of employees at the Office of the Central Bureau of Statistics for the Province of Bali.

Cite this article:

ANGGRENI, N. K. D. A., SARA, I. M., SAPUTRA, K. A. K. (2023). "The Effect of Sustainability Accounting, Work Environment and Leadership on Employee Performance." *Journal of Entrepreneurial and Business Diversity*, Volume (1), Issue (2), Page (77-83).

INTRODUCTION

Sustainability accounting can be applied to organizations other than business organizations. One of the derivatives of the sustainability accounting practice is disclosing financial, social, and environmental information in the form of a sustainability report (Danoucaras et al., 2014). Tanova and Bayighomog (2022) discussed the practice of disclosing sustainability reporting in public sector organizations. This research will provide an understanding of the opportunities for applying the concept of sustainability accounting to non-business organizations in Indonesia, particularly at the Central Bureau of Statistics for the Province of Bali (Saputra, Atmadja, et al., 2021).

The Central Bureau of Statistics is a non-ministerial government agency directly responsible to the President. The Central Bureau of Statistics was formed based on Law Number 6 of 1960 concerning the Census and Law Number 7 of 1960 concerning Statistics. As a substitute for the two laws, Law Number 16 of 1997 concerning Statistics was stipulated; based on this law, which was followed up with the legislation under it, formally the name of the Central Bureau of Statistics was changed to the Central Statistics Agency (BPS), besides that the Central

Statistics Agency (BPS) is an agency which provides government and community data in the Province of Bali. Statistical results are announced transparently in official news so the public can easily find out or get the data they need (Sara, Saputra, et al., 2021).

Based on the law stipulated above, the Central Statistics Agency (BPS) must be carried out to provide data needs for the government and society. This data is obtained from self-conducted surveys and becomes primary data for the Central Bureau of Statistics (BPS). In contrast, secondary data is obtained from departments or other government agencies (Saputra et al., 2023a). Assists statistical activities in departments, agencies, or government agencies in building a national statistical system, developing and promoting standards statistical techniques and methodologies, as well as providing services in the field of statistical education and training, establishing cooperation with international institutions and other countries for the benefit of Indonesia's statistical development (Saputra, Manurung, et al., 2021).

In facing the era of globalization, agencies need to implement new things. Agencies can also fix things that can cause problems within an organization or agency. One of the things that can be improved is employee performance. Employee performance is a measure of employee achievement in their work for the company (Saputra, Pradnyanitasari et al., 2022). Many things can be applied to improve employee performance, such as providing facilities, comfort at work, and leadership to superiors. According to Saputra et al. (2023), good performance is a step toward achieving organizational goals. Therefore, performance is also a determining tool in achieving organizational goals, so efforts must be made to improve employee performance (Saputra, Subroto, et al., 2022).

The work environment also indirectly influences employee performance. A work environment that has such an image that aims so that employees in an organization can create a working relationship that can create a working relationship that binds employees to the workplace environment. Amrutha and Geetha (2020) revealed that the work environment is everything around workers that can affect work, including lighting settings, noise control, cleanliness settings, and workplace safety settings.

According to Piwovar-Sulej and Iqbal (2023), leadership is moving, influencing, and guiding others to achieve organizational goals. According to Murtaza et al. (2021), leadership is the ability to influence the behavior of a person or group of people to achieve specific goals in certain situations. If the organization has good leaders, it can achieve its goals; otherwise, if it does not have good leaders, it will fail (Murtaza et al., 2021).

One example of a phenomenon that occurs is related to poor employee performance; there is still an attitude or ethics of employees who take advantage of work time to do things outside of work, causing work not to be completed on time (Saputra, Pradnyanitasari, et al., 2022). Supervision carried out by the leader to monitor each employee's work has yet to meet the target. It can be seen from the supervision that is only carried out in the morning so that employees feel irresponsible with the tasks assigned to employees (Manurung et al., 2022). The statement above pays little attention to the values followed by all employees so that employee performance decreases, and this research aims to provide a new paradigm in that the concept of sustainability accounting can be applied to non-business organizations. Sustainability accounting has been widely applied, especially in business organizations (Sara, Jayawarsa, et al., 2021). This research is expected to contribute to policies related to the implementation of sustainability accounting in organizations in Indonesia. One of the things that can be done so that organizations widely apply the process of implementing sustainability accounting is to issue guidelines or standards regarding the implementation of the concept of sustainability accounting.

Applying Sustainability Accounting has many benefits for Bali Provincial Statistics Office organizations. The concept of sustainability accounting does not only focus on financial values but also focuses on sustainability strategies for organizations at BPS. Currently, the management at the Central Statistics Agency has applied the concept of sustainability to activities at the Central Statistics Agency and is committed to disclosing social and economic impacts.

Sustainability Accounting. Sustainability accounting, according to Silva (2021), is an accounting system that is shown to implement a sustainability strategy. Sustainability accounting is also a development of social and environmental accounting, where the reporting output is in the form of the non-financial performance of the organization. Financial performance is related to all direct impacts on the economy, society, and environment (Danoucaras et al., 2014; Istianingsih et al., 2020).

Work Environment. Fanggidae et al. (2016), the work environment is all work facilities and infrastructure around employees, which are associated with psychological changes in the employee concerned, which can affect employee performance in carrying out the tasks given or charged. Meanwhile, according to Winata and Mia (2005), the work environment is everything that is around employees and can affect them in carrying out the tasks assigned to them, for example, by having an air conditioner (AC), adequate lighting, and so on (Katou et al., 2021).

Leadership. According to Williams et al. (2017), leadership is moving, influencing, and guiding others to achieve organizational goals. According to Murtaza et al. (2021), leadership is a person or a group leading them so that they can be directed toward the goals that have been set.

Employee Performance. Setiawan and Basuki (2018) explain that an employee's work performance results from the quality and quantity of work achieved by carrying out tasks according to the assigned tasks. According to Pham et al. (2019), employee performance is crucial in the relationship between fellow individuals in an organization or company in carrying out tasks or jobs given by the company to achieve goals.

METHODS

This research will be conducted at the Central Bureau of Statistics office for the Province of Bali, located at Jalan Raya Puputan No. 1 Renon, South Denpasar, Denpasar City. The population in this study was 60 employees at the Central Bureau of Statistics of Bali Province. In comparison, the 60 population are employees involved in implementing sustainability principles, namely social, profit, phenotechnology, planet, and prophet. The sample in this study is employee performance data at the Central Bureau of Statistics Province Bali. The type of data used is quantitative data. The data source used is the primary data source. The data analysis technique used in this study is multiple linear regression analysis.

RESULTS AND DISCUSSION

The normality test results showed that the Kolmogorov-Smirnov value is 0.200, more significant than 0.05. The results of the multicollinearity test show that the tolerance value or VIF means no symptoms of multicollinearity. At the same time, the results of the heteroscedasticity test show that each model has a significance value greater than 0.05. The results of the regression analysis with the Statistical Package of Social Science (SPSS) program can be seen in Table 1 below:

Table 1. Results of Multiple Linear Regression Analysis

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	B	Std. Error	Beta		
(Constant)	25.557	2.406		10.622	0.000
Accountancy	0.152	0.043	0.306	3.569	0.001
Continuity					
Work environment	0.218	0.044	0.421	4.901	0.000
Leadership	0.179	0.032	0.489	5.668	0.000

R	0,769
R Square	0,592
Adjusted R Square	0,570
F Statistic	27.095
Test Significance F	0,000

Source: Processed data (2023)

Based on Table 1 can be written the multiple linear regression equation shows the direction of each independent variable to the dependent variable:

$$Y = 0.306X_1 + 0.421X_2 + 0.489X_3$$

The multiple linear regression equation can be described as follows:

- Regression Coefficient X 1 = + 0.306 means if Sustainability Accounting is considered constant or the value is fixed, then an increase in the work environment and leadership by one unit will be followed by an increase in work motivation of 0.306.
- Regression Coefficient X 2 = + 0.421 means that if the work environment is considered constant or the value is fixed, an increase in Sustainability Accounting and Leadership by one unit will be followed by an increase in work motivation of 0.421.
- Regression Coefficient X 3 = + 0.489 means if Leadership is considered constant or a fixed value, then an increase in Sustainability Accounting and Work Environment by one unit will be followed by an increase in work motivation of 0.489.

Based on the test results, it is known that the significance value of the t-test is 0.001, which is less than the alpha value of 0.05. It indicates that the independent variable, Sustainability Accounting, significantly affects employee performance at the Office of the Central Bureau of Statistics for the Province of Bali. The first hypothesis (H1), which states that Sustainability Accounting positively affects the Performance of Employees at the Office of the Central Statistics Agency for the Province of Bali, is acceptable. It is supported by previous research conducted by Kurniawan and Wahyuni (2019), Ng (2018), and Uyar (2020), which states that Sustainability Accounting has a positive effect on Employee Performance.

Based on the test results, it is known that the significance value of the t-test is 0.000, which is less than the value alpha 0.05. It indicates that the independent variable, namely the work environment, significantly affects employee performance at the Office of the Central Bureau of Statistics for the Province of Bali. The second hypothesis (H2) states that the work environment positively affects employee performance at the Office of the Central Bureau of Statistics of Bali Province is acceptable. These results are supported by previous research conducted by Juniariani and Saputra (2020); Setiawan and Basuki (2018); and Yu et al. (2021), which stated that the work environment has a positive effect on employee performance.

Based on the test results, it is known that the significance value of the t-test is 0.000, which is less than the alpha value of 0.05. It indicates that the independent variable, namely Leadership, has a significant favorable influence on Employee Performance at the Office of the Central Bureau of Statistics for the Province of Bali. The third hypothesis (H3), which states that leadership positively affects employee performance at the Office of the Central Bureau of Statistics of Bali Province, can be accepted. It explains that if Leadership is good or improved, it can increase employee performance at the Bali Provincial Statistics Office; if there is a decrease in leadership, it will impact decreasing employee performance at the Bali Provincial Statistics Office. This result is supported by previous research conducted by Naiyananont and Smuthranond (2017); and Rante and Warokka (2016), which state that leadership positively affects employee performance.

CONCLUSION

Sustainability Accounting positively affects Employee Performance at the Office of the Central Bureau of Statistics for the Province of Bali. It shows that the better or increasing the Sustainability Accounting, the better the performance of employees at the Office of the Central Statistics Agency for the Province of Bali. The work environment positively affects employee performance at the Office of the Central Bureau of Statistics for the Province of Bali. It shows that the better or increasing the work environment, the higher the performance of employees at the Office of the Central Bureau of Statistics for the Province of Bali (Ahmad et al., 2020). Leadership positively affects employee performance at the Office of the Central Bureau of Statistics of Bali Province. It shows that the better the increase in leadership, the better the performance of employees at the Office of the Central Bureau of Statistics for the Province of Bali will also increase (Saputra et al., 2019).

At the Office of the Central Bureau of Statistics of the Province of Bali, better staff performance is desired; it is best if the Office of the Central Statistics Agency of the Province of Bali is directly involved in preserving the environment with the surrounding community to increase togetherness and a sense of kinship, the leadership motivates employees to be passionate about working, especially those in the accounting division to actively apply sustainability accounting to make work more effortless in the future, as well as more leadership motivating employees to work harder every day to complete their daily work so that employees are always able to be responsible for the work they are given (Saputra et al., 2023).

REFERENCE

- Ahmad, W. W., Manurung, D. T. H., Saputra, K. A. K., & Mustafa, S. G. (2020). Corporate Social Responsibility and Firm Financial Performance: A Case of Sme's Sector in Pakistan. *International Journal of Environmental, Sustainability, and Social Science*, 1(2), 62–74.
- Amrutha, V. N., & Geetha, S. N. (2020). A systematic review on Green Human Resource Management: Implications for Social Sustainability. *Journal of Cleaner Production*, 247, 119131. <https://doi.org/10.1016/j.jclepro.2019.119131>
- Danoucaras, A. N., Woodley, A. P., & Moran, C. J. (2014). The Robustness of Mine Water Accounting Over a Range of Operating Contexts and Commodities. *Journal of Cleaner Production*, 84(1), 727–735. <https://doi.org/10.1016/j.jclepro.2014.07.078>
- Fanggidae, R. E., Suryana, Y., Efendi, N., & Hilmiana. (2016). Effect of a Spirituality Workplace on Organizational Commitment and Job Satisfaction (Study on the Lecturer of Private Universities in the Kupang City - Indonesia). *Procedia - Social and Behavioral Sciences*, 219(December 2015), 639–646. <https://doi.org/10.1016/j.sbspro.2016.05.045>
- Istianingsih, Trireksani, T., & Manurung, D. T. H. (2020). The Impact of Corporate Social Responsibility Disclosure on the Future Earnings Response Coefficient (Asean banking analysis). *Sustainability (Switzerland)*, 12(22), 1–16. <https://doi.org/10.3390/su12229671>
- Juniariani, N. M. R., & Saputra, K. A. K. (2020). Internal Locus of Control dan Efek Computer Anxiety pada Kinerja Karyawan Keuangan. *Jurnal Ilmiah Akuntansi*, 5(1), 45. <https://doi.org/10.23887/jia.v5i1.22668>
- Katou, A. A., Budhwar, P. S., & Patel, C. (2021). A Trilogy of Organizational Ambidexterity: Leader's Social Intelligence, Employee Work Engagement, and Environmental Changes. *Journal of Business Research*, 128(February 2020), pp. 688–700. <https://doi.org/10.1016/j.jbusres.2020.01.043>
- Kurniawan, P. S., & Wahyuni, M. A. (2019). Akuntansi Keberlanjutan dan Pengukuran Kinerja Keberlanjutan Universitas. *Gorontalo Accounting Journal*, 2(2), 50. <https://doi.org/10.32662/gaj.v2i2.607>

- Manurung, D. T. H., Hidayah, N., Setiany, E., Saputra, K. A. K., & Hapsari, D. W. (2022). Does Carbon Performance and Green Investment Affect Carbon Emissions Disclosure? *Journal of Environmental Accounting and Management*, 10(4), 335–344. <https://doi.org/10.5890/JEAM.2022.12.001>
- Murtaza, S. A., Mahmood, A., Saleem, S., Ahmad, N., Sharif, M. S., & Molnar, E. (2021). Proposing Stewardship Theory as an Alternate to Explain the Relationship between CSR and Employees' Pro-Environmental Behavior. *Sustainability*, 13(8558), 1–15.
- Naiyananont, P., & Smuthranond, T. (2017). Relationships Between Ethical Climate, Political Behavior, Ethical Leadership, and Job Satisfaction of Operational Officers in a Wholesale Company, Bangkok Metropolitan Region. *Kasetsart Journal of Social Sciences*, 38(3), 345–351. <https://doi.org/10.1016/j.kjss.2016.07.005>
- Ng, A. W. (2018). From Sustainability Accounting to a Green Financing System: Institutional Legitimacy and Market Heterogeneity in a Global Financial Centre. *Journal of Cleaner Production*, pp. 195, 585–592. <https://doi.org/10.1016/j.jclepro.2018.05.250>
- Pham, N. T., Tučková, Z., & Chiappetta Jabbour, C. J. (2019). Greening the Hospitality Industry: How do Green Human Resource Management Practices Influence Organizational Citizenship Behavior in Hotels? A Mixed-Methods Study. *Tourism Management*, 72(August 2018), 386–399. <https://doi.org/10.1016/j.tourman.2018.12.008>
- Piowar-Sulej, K., & Iqbal, Q. (2023). Leadership Styles and Sustainable Performance: A Systematic Literature Review. *Journal of Cleaner Production*, 382(September 2022), 134600. <https://doi.org/10.1016/j.jclepro.2022.134600>
- Rante, A., & Warokka, A. (2016). Leadership Style, Decentralisation, and Managerial Performance: Does the Management Accounting System Mediate The Relationship? *Journal for Global Business Advancement*, 9(1), 79–89. <https://doi.org/10.1504/JGBA.2016.074897>
- Saputra, K. A. K., Anggiriawan, P. B., Sanjaya, I. K. P. W., Jayanti, L. G. P. S. E., & Manurung, D. T. H. (2019). The Role of Human Resource Accounting and the Synergy of Village Government in Village Fund Management. *Journal of Advance Research in Dynamical and Control Systems*, 11(11), 303–309. <https://doi.org/10.5373/JARDCS/V11I11/20193200>
- Saputra, K. A. K., Atmadja, A. T., Koswara, M. K., & Tama, G. M. (2021). Examining The Role of Village Funds In Village Sustainable Development Goals (SDGs). *South East Asia Journal of Contemporary Business, Economics, and Law*, 24(6), 45–51.
- Saputra, K. A. K., Manurung, D. T. H., Rachmawati, L., Siskawati, E., & Genta, F. K. (2021). Combining the Concept of Green Accounting with the Regulation of Prohibition of Disposable Plastic Use. *International Journal of Energy Economics and Policy*, 11(4), 84–90. <https://doi.org/10.32479/ijeeep.10087>
- Saputra, K. A. K., Pradnyanitasari, P. D., & Putri, P. Y. A. (2022). “I” Developed Accounting Through Self-Purification Towards Sattwam- Based Self-Awareness. *International Journal of Management Studies and Social Science Research*, 4(2), 228–233.
- Saputra, K. A. K., Subroto, B., Rahman, A. F., & Saraswati, E. (2022). Eco-Efficiency and Energy Audit to Improve Environmental Performance: An Empirical Study of Hotels in Bali-Indonesia. *International Journal of Energy Economics and Policy*, 12(6), 175–182. <https://doi.org/10.32479/ijeeep.13565>
- Saputra, K. A. K., Subroto, B., Rahman, A. F., & Saraswati, E. (2023). Mediation Role of Environmental Management Accounting on The Effect of Green Competitive Advantage on Sustainable Performance. *Journal of Sustainability Science and Management*, 18(2), 103–115. <https://doi.org/http://doi.org/10.46754/jssm.2023.02.008>

- Saputra, K. A. K., Subroto, B., Rahman, A. F., & Saraswati, E. (2023). Sustainability Performance in Hospitality Industry: Interaction of Strategic Sustainability Management and Sat Kerthi Culture. *Jurnal Ilmiah Akuntansi Dan Bisnis*, 18(1), 147–162. <https://doi.org/10.24843/JIAB.2023.v18.i01.p10>
- Sara, I. M., Jayawarsa, A. A. K., & Saputra, K. A. K. (2021). Rural Assets Administration and Establishment of Village-Owned Enterprises for Enhancing Rural Economy. *Jurnal Bina Praja*, 13(1), 81–91. <https://doi.org/10.21787/jbp.13.2021.81-91>
- Sara, I. M., Saputra, K. A. K., & Utama, I. W. K. J. (2021). The Effects of Strategic Planning, Human Resources, and Asset Management on Economic Productivity: A Case Study in Indonesia. *Journal of Asian Finance, Economics, and Business*, 8(4), 381–389. <https://doi.org/10.13106/jafeb.2021.vol8.no4.0381>
- Setiawan, D., & Basuki, M. A. (2018). Peran Auditor Intern Pemerintah, Motivasi, dan Kinerja Pegawai Negeri Sipil. *Jurnal Akuntansi*, 22(1), 86–104. <https://doi.org/10.24912/ja.v22i1.324>
- Silva, S. (2021). Corporate Contributions to the Sustainable Development Goals: An Empirical Analysis Informed by Legitimacy Theory. *Journal of Cleaner Production*, p. 292, 125962. <https://doi.org/10.1016/j.jclepro.2021.125962>
- Tanova, C., & Bayighomog, S. W. (2022). Green Human Resource Management in Service Industries: The Construct, Antecedents, Consequences, and Outlook. *Service Industries Journal*, 42(5–6), 412–452. <https://doi.org/10.1080/02642069.2022.2045279>
- Uyar, M. (2020). The Association Between Environmental Strategies and Sustainability Performance in The Context of Environmental Management Accounting. *Ege Akademik Bakis (Ege Academic Review)*, 20(1), 21–41. <https://doi.org/10.21121/eab.590348>
- Williams, A., Kennedy, S., Philipp, F., & Whiteman, G. (2017). Systems Thinking: A Review of Sustainability Management Research. *Journal of Cleaner Production*, pp. 148, 866–881. <https://doi.org/10.1016/j.jclepro.2017.02.002>
- Winata, L., & Mia, L. (2005). Information Technology and the Performance Effect of Managers' Participation in Budgeting: Evidence from the Hotel Industry. *International Journal of Hospitality Management*. <https://doi.org/10.1016/j.ijhm.2004.04.006>
- Yu, J., Park, J., & Hyun, S. S. (2021). Impacts of the COVID-19 Pandemic on Employees' Work Stress, Well-Being, Mental Health, Organizational Citizenship Behavior, and Employee-Customer Identification. *Journal of Hospitality Marketing and Management*, 30(5), 529–548. <https://doi.org/10.1080/19368623.2021.1867283>