ICOI

by Wahyudin Nor

ICOI Ulsan 2019

2019 International Conference of Organizational Innovation

International Conference of Organizational Innovation

Sponsor Institutes

- International Association of Organizational Innovation
- University of Ulsan, South Korea
- Airlangga University, Surabaya, Indonesia
- FMI Forum Manajemen Indonesia
- Shanghai University of Medicine & Health Science

Co-sponsor Institutes

- La Trobe Business School. La Trobe University, Australia
- Fukuoka University, Japan
- Guangxi University for Nationalities, Guangxi China
- Huaqiao University, Fujian China
- Universitas Tanjungpura Indonesia
- Guilin University of Technology, Guilin China
- Universitas Sumatera Utara Indonesia

Conference Date

July 20-22, 2019

Location

University of Ulsan, South Korea
93 Daehak-ro, Nam-gu, Ulsan (44610), Korea

International Conference of Organizational Innovation

ISBN 9789869074483

ICOI Ulsan 2019

2019 International Conference of Organizational Innovation

2019 ICOI ORGANIZATION LISTING

Honorable Conference Chairs	
Dr. Fred Dembowski	President of International Association of Organizational Innovation , USA
Dr. Jung Junkeum	Dean of College of Social Science, University of Ulsan, Korea
Dr. Yamazaki Yoshihiro	Faculty of Economics, Fukuoka University, Japan
Dr. Sri Gunawan	Airlangga University and President of FMI, Surabaya, Indonesia
Conference Chairs	
Dr. Alex Maritz	Professor in department of Management & Marketing, La Trobe University, Australia
Dr. Fernando Cardoso de Sousa	Founder and director of the Marketing Research Office (GAIM) and the Portuguese Creativity and innovation Association (APGICO)
Dr. Bal Kishan Dass,	Department of Mathematics, University of Delhi, India
Dr. Ridong Hu	Dean of School of Institute of Quantitative Economics, HuaQiao University, China
Dr. Tomáš Tichý	Professor in VSB-Technical University Ostrava, Czech Republic.
Dr. Cho Jaeho	Department of economics, University of Ulsan, Korea
Dr. Pei Yu	Vice president of Nanjing Auditing University, Nanjing China
Dr. Chen Yu-Feng	Dean of school of Electrical & Information, Hubei University of Automobile Technology, Hubei, China
Dr. Muhammet Usak	Institute of Pedagogy and Psychology, Kazan (Volga Region) Federal University ,Kazan, Russia
Dr. Dongwoo Yoo	Department of economics, University of Ulsan, Korea
Dr. Qian Zhiwang	School of Nursing & Health Management, Shanghai University of Medicine & Health Science, China
Dr. Mohd Fauzi Mohd Jani	Director, Center of Entrepreneurship and SMEs Development (UKM-CESMED),University Kebangsaan Malaysia, Malaysia
Dr. Denis S. Ushakov	Suan Sunandha Rajabhat University, Bangkok, Thailand
Prof. Jenn-Yang Lin	Professor in National Cheng Kung University, Taiwan, R.O.C
Dr. Dian Agustia	Dean of Faculty of Economics and Business, Airlangga University, Surabaya, Indonesia
Dr. Harold G. Kaufman	Professor in department of Technology Management & Innovation at NYU Polytechnic School of Engineering, USA
Dr. Sydney Engelberg	Faculty of The Schwarz Program in Non-Profit Management and The Community Leadership and Management Program at The Hebrew University
Dr. Ing.Barbara	DIEM Department Mechanical, Nuclear, Aviation, and

Cimatti	Metallurgical Engineering University of Bologna, Italy
Dr. Giampaolo Campana	Professor in department of Industrial Engineering DIN - University of Bologna, Italy
Dr. Andy Klein	American University of Sharjah, UAE.
Dr. Shih Wen Hsiao	Department of Industrial Design at the National Cheng Kung University, Taiwan,
Dr. Marius Potgieter,	Tshwane University of Technology, South Africa
Dr. Gerrit Anton de Waal	Senior Lecturer in Innovation and Entrepreneurship ,New Zealand
Dr. Sergey Ivanov	Association professor at University of the District of Columbia,USA
Conference Co-Chairs	
Dr. Chih Yuan Huang	Former vice-president of the Fortune University, Taiwan
Dr. Antonov / Ivanov	Geological Institute, Sofia, Bulgaria
Dr. Ivanova / Hristova	Geological Institute, Bulgaria
Dr. Pawan. K. Dhiman	Sant Longowal Institute of Engineering & Technology, India
Dr. Nasser Alomaim	Riyadh College of Technology, Kingdom of Saudi Arabia
Dr., Kai-jun Yu	Library, Shanghai University of Medicine & Health Science, Shanghai, China
Dr. Yuzhou Luo	School of Medical Instruments, Shanghai University of Medicine & Health Sciences
Ms. Darina Prokhorova	Actual Problems of Economics, National Academy of Management, Ukraine
Dr. Nikolov / Todor Georgiev,	Professor emeritus - Sofia University. Academician (Fellow) of the Bulgarian Academy of Sciences
Conference Executor Director	
Dr. Chich-Jen Shieh,	International Association of Organizational Innovation , USA
T. Aria Auliandri	Department of Management, Faculty of Economics and Business, Airlangga University, Indonesia
Ms. Hsin-Ming Hsieh	Department of Business Administration, National Sun Yat-Sen University, Taiwan
Program Chairs	
Prof. Harvey T. Ong	Decision Sciences and Innovation (DSI) Dept. Ramon V. del Rosario College of Business De La Salle University, Manila , Philippines
Dr. Jun Dang,	School of Economics and Finance, Xian International Studies University, China
Dr. Shu-Han Jiang	Department of International Business, Chung Yung Christian University, Taiwan
Dr. Madeline Berma	Faculty of Economics and Business University Kebangsaan Malaysia, Malaysia
Dr. Ying-Jye Lee	Kaohsiung University of Science and Technology Taiwan.
Dr. Chi-Hung Lo	Department of Industrial Design, Tunghai University, Taiwan
Dr. Dr. Tung-Ju Wu	Department of Business Administration, Huaqiao University, China

Executive Secretaries	
Prof. Wen-Hwa Cheng	Department of Multimedia Design, National Formosa University. Taiwan
Dr. Ya-Chuan Ko	Department of Creative Product Design, Asia University, Taiwan
Mr. Andhy Setyawan	Faculty of Economics and Business, Universitas Surabaya, Indonesia
Ms. Vickie Chang	International Association of Organizational Innovation, USA
Ms. Tsu- En Wang	Department of Economics, National Taiwan University, Taiwan
Mr. Sun Longjie	Library, Shanghai University of Medicine & Health Science, Shanghai, China
Mr. Xiao-Tao Wang	Department of Traditional Chinese Medicine, Ehu Branch of Xishan People's Hospital, Wuxi, Jiangsu, China
Dr. Kai-Ping Huang	Department of Business Administration, Fu Jen Catholic University, Taiwan
Dr. I-Ying Chang	Department of Tourism and MICE Management Chung Hua University, Taiwan
Dr. Wan-Yu Chang	Department of Tourism and MICE Management Chung Hua University, Taiwan
Mr. Jui-Sheng Wang	Institute of Business and Management, National University of Kaohsiung, Taiwan
Paper reviewers	
Dr. Wu, Yi-Te	Department Head of Marketing and Logistics Management, Hsing Kuo University of Management
Dr. Jui-Fang Chang	National Kaohsiung University of Applied Sciences, Taiwan
Dr. Chien-Hua Wang	School of Management, Fujian University of Technology China

DATE : July, 20 2019, Saturday
LOCATION : Room 15-317
University of Ulsan, Ulsan, Korea

Time	Topic of Seminar	Country/Region
Session 10.1 13 : 30 | 14 : 50	**Chair : Dr. Rudi Purwono, Universitas Airlangga, Indonesia**	
	1. 19R-161: Financial Inclusion and Financial Self-Efficacy in Indonesia	Richy Wijaya W. Indonesia
	2. 19R-191: Financial Literacy, Financial Attitude, and Financial Behavior of Young Pioneering Business Entrepreneurs	Wirawan Ed Radianto Indonesia
	3. 19R-209: Analysis of Human Resource Development Programs through Talent Management in Padjadjaran University	Leni Rohida Indonesia
	4. 19R-227: Adoption of SDGs-Related Financial Accounting Standard and Its Relevant Costs: New Burdens, Merely Complying, Beyond?	Patricia Devina Indonesia
	5. 19R-236: What Drives Mobile Banking in Digital Age? An Empirical Examination among Young Consumers	Rudi Purwono Indonesia
	6. 19R-248: Intellectual Capital Performance and Return on Invested Capital: Evidence From Indonesian Banking Industry	Elen Puspitasari Indonesia
14 : 50 | 15 : 00	**Tea Time**	
Session 10.2 15 : 10 | 16 : 30	**Chair : Dr. Rosiwarna Anwar, Universitas Indonesia, Indonesia**	
	1. 19R-172: Parallel Series Scheduling for Aircraft Overhaul Maintenance	Ellysa Nursanti Indonesia
	2. 19R-182: Using Smartphone in Batik and Traditional Textile : Intention Measurement and TAM Approach	Yohan Wismantoro Indonesia
	3. 19R-185: Eradicating Poverty in Samosir Regency	Hendry Dolly Simbolon Indonesia
	4. 19R-198: Work Life Balance of Generation Y in Indonesia	Nuri Herachwati Indonesia
	5. 19R-208: Biodiesel from Palm Oil in Indonesia: Current Status and Opportunities	Fitriani Tupa R. Silalahi Indonesia
	6. 19R-232: Successful Information Communication Technology System on Enterprise Resources Planning Implementation A Case Study of Metal-Work Industries in Indonesia	Rosiwarna Anwar Indonesia
17 : 30	**Welcoming Dinner**	

Adoption of SDGs-Related Financial Accounting Standard and Its Relevant Costs: New Burdens, Merely Complying, Beyond?

Patricia Devina*, Muhammad Hudaya,Wahyudin Nor, Rasidah, Kadir
Department of Accounting, Faculty of Economics and Business, University of Lambung Mangkurat, South Kalimantan, Indonesia
*E-mail: *patriciadevina@gmail.com*

Abstract

Background–Sustainable Development Goals (SDGs) represents 17 goals with 169 achievements initiated with the aim to benefit humans and the earth. It takes the role of all parties to be able to realize the SDGs, especially the private sector must be willing to take an active role in achieving SDGs. However there are still many companies which still seeing SDGs as a trend that is only used solely for the company to look good but not really synergize the company's goals with the goals of SDGs.

Purpose and Methodology–The purpose of this study is to investigate how the impact of the adoption of SDGs-related Indonesia's financial accounting standards (PSAK) on net profits of mining companies listed in Indonesian Stocks Exchange (IDX). The study employs a quantitative research approach and multiple linear regression analysis with the semi-log type Ordinary Least Squares (OLS) estimation method. The unit of analysis in this study are 48 companies from IDX's mining sector in the period 2008 to 2017 with a 10-year observation period.

Findings–Although the adoption SDGs-based accounting standards on companies listed in Indonesian Stocks Exchange (IDX) has impacted on their respective net profit, it, however, brings companies more sustainably both in terms of financial and operational aspects. Internally, the impact of adoption boosts employees' work protection, while externally it enhances investors' confidence that entities are managed in a sustainable way.

Research Limitations–limited information is available companies SDGs disclosure on companies' notes on financial statements.

Originality/value – The study presents the impacts of the adoption of SDGs-related financial accounting standards and its relevant costs on the companies' financial statements that is rarely researched in Indonesian context.

Keywords: *Sustainable development goals, financial accounting standards, Indonesia*

Adoption of SDGs-Related Financial Accounting Standard and Its Relevant Costs: New Burdens, Merely Complying, Beyond?

Patricia Devina[1], Muhammad Hudaya[2],
Wahyudin Nor[3], Rasidah[4], Kadir[5]

10
[1,2,3,4,5] *Department of Accounting, Faculty of Economics and Business, University of Lambung Mangkurat, South Kalimantan, Indonesia*

Abstract

Background–*Sustainable Development Goals (SDGs) represents 17 goals with 169 achievements initiated with the aim to benefit humans and the earth. It takes the role of all parties to be able to realize the SDGs, especially the private sector must be willing to take an active role in achieving SDGs. However there are still many companies which still seeing SDGs as a trend that is only used solely for the company to look good but not really synergize the company's goals with the goals of SDGs.*

10

Purpose and Methodology–*The purpose of this study is to investigate how the impact of the adoption of SDGs-related Indonesia's financial accounting standards (PSAK) on net profits of mining companies listed in Indonesian Stocks Exchange (IDX). The study employs a quantitative research approach and multiple linear regression analy*7 *with the semi-log type Ordinary Least Squares (OLS) estimation method. The unit of analysis in this study are 48 companies from IDX's mining sector in the period 2008 to 2017 with a 10-year observation period.*

Findings–*Although the adoption SDGs-based accounting standards on companies listed in Indonesian Stocks Exchange (IDX) has impacted on their respective net profit, it, however, brings companies more sustainably both in terms of financial and operational aspects. Internally, the impact of adoption boosts employees' work protection, while externally it enhances investors' confidence that entities are managed in a sustainable way.*

Research Limitations–*limited information is available companies SDGs disclosure on companies' notes on financial statements.*

Originality/value – *The study presents the impacts of the adoption of SDGs-related financial accounting standards and its relevant costs on the companies' financial statements that is rarely researched in Indonesian context.*

Keywords: *Sustainable development goals, financial accounting standards, Indonesia*

Introduction

The Sustainable Development Goals (SDGs) are 17 goals with 169 achievements which are intended for the benefit of humanity and earth. To be able to realize the achievement of SDGs, the role of all parties is needed, especially from the private sector, which must be willing to take an active role in achieving the SDGs target. Based on a study conducted by PricewaterhouseCoopers (PwC) through a study report on SDG Reporting Challenge issued in 2018 it was explained that 72% of companies out of a total of 729 companies in 21 countries mentioned SDGs in their annual reports or sustainability reports, but unfortunately from 72% of these companies only 54% of companies that have really prioritized the SDGs goals that are targeted by the company and mentioned them in their business strategies. Until now, many companies still see SDGs as a trend that is only used solely for the company look good but do not associate the company's targets with the SDGs goals. But after the

Corresponding authors: *patriciadevina@gmail.com*

company linked the SDGs to the company's strategy and prioritized certain targets that the company wanted to achieve, then there were question about how the impact of the SDGs targets on the financial statements? Which accounting standards and costs should the company pay attention in preparing its financial statements? The company's commitment to prioritize certain SDGs targets can have an impact on the net income that will be obtained by the company. Each company certainly wants to be able to continue to generate profits in its operational activities, but with the commitment to prioritize certain SDGs targets, this can have an impact on the net income that will be obtained by the company.

There are several Financial Accounting Standards (SAK) in Indonesia that related to SDGs targets including PSAK 57 on "Provisions, Assets and Contingent Liabilities", and PSAK 60 on "Financial Instruments: Disclosures" which must be a concern for companies in an effort to realize the achievement of SDGs targets. In addition to accounting standards, Occupational Safety and Health (K3) is also closely related to SDGs targets and often becomes an highlight in the company's operations. Companies in general always strive to be able to guarantee the safety of their workers. Occupational Safety and Health (K3) is one indicator that shows the fulfillment of SDGs target number 3 on "Good Health and Well-Being" and SDGs target number 11 on "Sustainable Cities and Communities" (United Nations, 2016). Companies that prioritize the SDGs targets must also pay attention to some of the costs associated in achieving SDGs targets such as costs incurred by companies to conduct training and development for their employees and costs incurred to carry out corporate social responsibility.

Literature Review and Hypotheses Development

Brigham & Houston (2014) revealed that signal is an effort to provide a view of management to the company's prospects in the future to investors (Effendi, 2016) (Brigham & Houston, 2014). This opinion is in line with the opinion stated by Scott & Brigham (2008) and Brigham & Ehrhardt (2005) that define signals as the provision of guidance by management to investors about how management consider the company's prospects (Scott & Brigham, 2008) (Brigham & Ehrhardt, 2005). Annual reports and sustainability reports issued by the company can be a signal for parties outside the company, especially for investors. Companies that disclose information about how the companies has prioritize the SDGs targets in company's annual reports and company's sustainability reports will provide a positive signal for investors. This condition can happen because the companies are considered to be more concerned about their responsibilities to the community and the environment and this condition will have a positive impact on increasing the value and reputation of the company.

Net profit is an important component of concern in ensuring the survival of company where company must rely on profits in order to attract new investors to invest their capital into the company and keep investors who have invested in not withdrawing their capital from the company. According to Warren, et al., (2014, p. 25), net income or net profit is an excess of income against the expenses that have occurred. According to Kasmir (2015, p. 303), net profit is a profit that has been deducted by the company's expenses in a certain period including tax. If there is a change in company expenses, this change will affect the company's net income. With the company's commitment to prioritize several SDGs targets, this prioritization will have an impact on changes in company expenses due to the emergence of several other expenses that must be incurred by the company related to their responsibilities.

Disclosures required in PSAK 60 (2013 Revision) about Financial Instruments: Disclosures in paragraphs 31-42, focus on risks that arising from financial instruments and how those risks are managed (Ikatan Akuntan Indonesia, 2017). Environmental risk is one of the important risks that must be managed and disclosed by the company in its report, especially if it is related to financial instruments. Environmental conditions that are difficult to predict will bring up the possibilities of losses for the company at any given time. With the disclosure of environmental risks and how to overcome them in company reports, it can be said that the company already knows what risks are faced in its operational activities and has a good strategy for managing those risks. Each company has a variety of risk management strategies that can be used in managing the risk faced by the company. With a good risk management, the companies can maximize their operational activites and this condition may affect the company's net profit. Thus, the first hypothesis is as follows:

H_1 = Environmental risk disclosure will positively affect the company's Net Profit.

The government currently requires companies in the mining industry to carry out environmental restoration activities around the company's operations. PSAK 57 about Provisions, Contingent Liabilities and Contingent Assets explains how companies must make a backup if they have constructive obligations (not only legal obligations). Restoration costs that may arise usually covers the costs of mine reclamation and mine area management costs. Regulators usually exert strict control on its mining industry so that the value of reclamation costs can be determined reliably (Martani, et al., 2015, hal. 38). With the allocation of this special liabilities and provisions, the mining company will make disclosures in its financial statements and allocation of these costs can affect the company's net profit. Thus, the next hypothesis would be as follows:

H_2 = Provision for Environmental Management and Reclamation will positively affect the Company's Net Profit

All activities to ensure and protect the safety and health of workers through prevention of occupational accidents and occupational diseases referred to as Occupational Health and Safety System (K3) which are regulated in Government Regulation No. 50 of 2012. Lost Time Injury Frequency Rate (LTIFR) is a measurement for the safety performance of a company. LTIFR refers to the number of injuries (lost time) in a given accounting period, relative to the total number of hours worked in that period (*Safe Work Australia*, 2017). The LTIFR calculation measures the number of time lost injuries per million hours worked during the accounting period. LTIFR is widely used by companies as a safety performance measurement for the company's Occupational Safety and health system, the lower the LTIFR score to near zero indicates that the company has a good safety performance. Companies generally have certain funds allocated to achieve zero accidents. The lower LTIFR score owned by a company, the loss suffered by the company will decrease due to the loss of employee work hours along will become smaller and the costs that must be incurred by the company to be responsible for workplace accidents suffered by its workers will also become smaller or even no more. Thus the LTIFR score can affect the company's net profit.

H_3 = Lost Time Injury Frequency Rate will positively affect the Company's Net Profit.

According to Raymod A. Noe, John R. Hollenbeck, Barry Gerhart, and Patrick M. Wright in their book entitled "Human Resource Management: Gaining a Competitive Advantage", defines development as an increasing in the ability of employees to meet the job changing requirements and client demands because they have acquired skills, behavior and knowledge. Development that helps employees prepare themselves in the future refers to formal education, work experience, ability to establish relationships, personality assessment, and capacity building. Companies generally provide various training for their employees to avoid the occurrence of risks due to the ignorance of employees, especially if it is related to employee health and safety (Noe, Hollenbeck, Gerhart, & Wright, 2014). The costs incurred by the company to conduct training and development for its employees can affect the company's operations, especially on the company's net profit.

H_4 = Training and Development Cost will positively affect the Company's Net Profit

According to The World Business Council for Sustainable Development (WBCSD), through its publication "Making Good Business Sense" defines CSR as a continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families. well as of the local community and society at large. Companies, especially those who engaged in the mining sector, in general, are always allocated a budget to carry out CSR activities which have become the companies obligations as stated in UU No. 40 of 2007 about Limited Company. The costs incurred by the company's CSR activities could affect the company's net profit. Based on the results from previous research conducted by Samra Kiran from City University of Science and Information Technology, Shahid Jan of Abdul Wali Khan University, Farzana Shaheen from the University of Peshawar showed that there was a positive correlation between CSR and net profit and net profit margins of the company, but there were insignificant impact of CSR activities on company profitability (Kiran, Kakakhel, & Shaheen, 2015).

H_5 = Corporate Social Responsibility Cost has a positive effect on the Company's Net Profit.

Methods

The data used in this study were derived from the annual report and sustainability report of mining companies obtained from the Indonesia Stock Exchange web site (www.idx.co.id) and from the websites of each company. The population in this study were 48 mining companies listed on the Indonesian Stock Exchange (BEI) in 2008 to 2017. Determination of the sample in this study was carried out by using the pupossive sampling method with the first condition that the companies should be registered on the Indonesia Stock Exchange from 2008-2017, the second condition is companies that had published the annual report and sustainability report on the company's website or IDX website during the 2008-2017, and the third condition is companies that are not delisted during the period 2008-2017, and the last condition is companies that have a complete data needed in this study. From the results of purposive sampling, there are 31 companies from 48 Mining companies that can be sampled in this study. The total amount of data in this study with 10 years of observation period was 310 (n = 310). This study uses multiple linear regression analysis with Ordinary Least Squares (OLS) estimation method and uses a semi-log regression model. The equation model for multiple linear regression with semi-log regression models in this study are as follows:

$$LnY = \alpha + \beta X_1 + \beta X_2 + \beta X_3 + \beta X_4 + \beta X_5 + ę$$

Ln = Logaritma Natural
Y = Net Profit
α = Konstanta
β = Koefisien
X_1 = Enviromental Risk Disclosure
X_2 = Provision for Enviromental Management and Reclamation
X_3 = Lost Time Injury Frequency Rate
X_4 = Training and Development Cost
X_5 = Corporate Social Responsibilty Cost

Results and Discussion

1. Classical assumption test results

Tabel 1. Normality Test

One-Sample Kolmogorov-Smirnov Test

			Unstandardized Residual
N			310
Normal Parameters[a,b]	Mean		,0000000
	Std. Deviation		,92209108
Most Extreme Differences	Absolute		,067
	Positive		,050
	Negative		-,067
Test Statistic			,067
Asymp. Sig. (2-tailed)			,002[c]
Monte Carlo Sig. (2-tailed)	Sig.		,118[d]
	95% Confidence Interval	Lower Bound	,112
		Upper Bound	,125

Source: SPSS 25 (2018)

Tabel 2. Heterokidasticity Test

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	,744	,058		12,829	,000
	ERD	,036	,072	,030	,505	,614
	PEMR	-2,322E-7	,000	-,092	-1,429	,154
	LTIFR	-,119	,127	-,056	-,938	,349
	T&D COST	-6,965E-7	,000	-,019	-,324	,746
	CSR COST	-8,330E-8	,000	-,012	-,190	,849

a. Dependent Variable: ABS_RES9

Source: SPSS 25 (2018)

Tabel 3. Autocorrelation Test & Model Summary

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,535[a]	,286	,274	,92964	1,957

a. Predictors: (Constant), Coorporate Social Responsibility Expense, Training and Development Expense, Environmental Risk Disclosure, Lost Time Injury Frequency Rate, Provision for Environmental Management and Reclamation
b. Dependent Variable: Ln_NP

Source: SPSS 25 (2018)

Tabel 4. Multicollinearity Test & Coefficients

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	4,532	,094		48,271	,000		
	ERD	,404	,117	,175	3,461	,001	,915	1,093
	PEMR	1,083E-6	,000	,226	4,116	,000	,779	1,283
	LTIFR	1,131	,206	,280	5,487	,000	,904	1,106
	T&D COST	-7,891E-6	,000	-,112	-2,264	,024	,962	1,040
	CSR COST	1,533E-6	,000	,117	2,161	,031	,808	1,238

a. Dependent Variable: Ln_NP

Source: SPSS 25 (2018)

2. Results of hypotheses testing

Based on table 3, the R value of 0.535 or 53.5% is the correlation coefficient which shows the level of relationship between Environmental Risk Disclosure (X_1), Provision For Environmental Management and Reclamation (X_2), Lost TIm Injury Frequency Rate (X_3), Training and Development Cost (X_4), and Corporate Social Responsibility Cost (X_5) with the Company's Net Profit (Y). The R Square value of 0.286 indicates that the independent variable taken in this study has a level of relationship with the dependent variable of 28.6% and the remaining 71.4% is influenced by other variables not stated in this study. The Adjusted R Square value is 0.274 which indicates that the variation or fluctuation of the Dependent Variable (Y) is influenced by Independent Variables (X) by 27.4%. The constant value of 4.532 shows that if the variables X_1, X_2, X_3, X_4, and X_5 have a value of 1 or no change, then Net Profit (Y) is IDR 4.532.

The first hypothesis states that Environmental Risk Disclosure positively affect the company's Net Profit. Based on the results of hypothesis testing in table 4, it can be concluded that the first hypothesis (H_1) is accepted, so it can be stated that environmental risk disclosure has a significant positive effect the company's net profit with a t-count value that is greater than the t-table value (3.461 <1.968) and a significant value smaller than the significance level (0.001 > 0.05). Environmental risk disclosure that has been measured using a dummy scale shows that there are as many as 205 out of 310 or 66.1% of companies that have carried out environmental risk disclosure in their reports. Companies that already have an environmental risk disclosure provide a positive signal for investors, stakeholders, and society because the company is considered to know well what risks are faced in its operational activities and has a good strategy for managing those risks. With a good risk management, the companies can maximize their operational activites without worrying about the risks they might face, so this condition will lead to an increase in profits earn by the companies.

The second hypothesis states that Provision for Environmental Management and Reclamation positively affect the company's Net Profit. Based on the results of hypothesis testing in table 4, it can be concluded that the second hypothesis (H_2) is accepted, so it can be stated that Provision for Environmental Management and Reclamation has a significant positive effect on the company's Net Profit with a t-count value greater than the t-table value (4.116> 1.968) and a significant value smaller than the level significant (0.000 <0.05). Provision for Environmental Management and Reclamation which has been measured using a nominal scale in millions of rupiahs shows that in the last 10 years, the average provision for Environmental Management and Reclamation owned by mining sector companies that are sampled in this study is IDR 104,118.94

million. With the allocation of special costs for environmental management and reclamation, companies will disclose it in their financial statements and these costs must be recognized as environmental/ reclamation expenses and liabilities. Signaling theory explains an effort to provide a view about the company's prospects in the future from management to investors (Effendi, 2016) (Brigham & Houston, 2014). Companies that already have a Provision for Environmental Management and Reclamation give a positive signal to investors, stakeholders, society, government and consumen because the company is considered to have a good responsibility to the environment in which they operates. The company does not only exploit the environment but also responsible for any damage that has been caused by the company. This condition will lead to an increase in profits earn by the company because they business can running smoothly.

The third hypothesis states that Lost Time Injury Frequency Rate positively affect the company's Net Profit. Based on the results of hypothesis testing in table 4, it can be concluded that the third hypothesis (H_3) is accepted, so it can be stated that Lost Time Injury Frequency Rate has a significant positive effect on the company's Net Profit with a t-count value greater than the t-table value (5.487> 1.968) and a significant value smaller than the significant level (0.000 <0.05). LTIFR which has been measured by calculating the number of time lost injuries per million hours worked during the accounting period shows that over the past 10 years, the average mining sector company that sampled in this study had an average LTIFR score of 0.1422 and an average score the average is still below the maximum standard of the international mining sector industry which is at a score of 4.9. With this score, it can be concluded that the mining sector companies in Indonesia already have quite good safety performance. Signaling theory explains an effort to provide a view about the company's prospects in the future from management to investors (Effendi, 2016) (Brigham & Houston, 2014). Companies that have good safety performance will provide a positive signal for investors, workers, and related parties because the company is considered to have good responsibility for its employees, especially in terms of the safety and health of employees. This condition will make the company's value and reputation more better in the eyes of investors and potential corporate investors. With the lower LTIFR score, the accident compensation costs that must be paid by the company will become smaller or even no more and the company’s operational activities can increase until reach it’s maximum level, so this condition will lead to an increase in the company’s net profit.

The fourth hypothesis states that Training and Development Cost will positively affect the company's Net Profit. Based on the results of hypothesis testing in table 4, it can be concluded that the fourth hypothesis (H_4) is rejected, so it can be stated that Training and Development Cost variable doesn’t has a positive effect on the company's Net Profit with a t-count value smaller than the t-table value (-2.264> 1.968) and a significant value smaller than the significant level (0.024 <0.05). The Training and Development Cost that has been measured using the nominal scale in millions of rupiahs shows that in the last 10 years, the average Training and Development Cost owned by mining sector companies that were sampled in this study was IDR 4,015.50 million. Companies that have adequate Training and Development Costs provide a positive signal for investors because the company is considered to have good and competent human resources. This condition will make the value and reputation of the company more better in the eyes of investors and potential corporate investors, but this cost is one component of the company's operational expenses so that the increase or decrease in the amount of training and development costs will affect the net profit generated by the company.

The fifth hypothesis states that the Corporate Social Responsibility Cost has a positive effect on the company's Net Profit. Based on the results of hypothesis testing it can be concluded that the sixth hypothesis (H_5) is accepted, so it can be stated that the Corporate Social Responsibility Cost has a significant effect on the company's Net Profit with a t-count value that is greater than the t-table value (2.161 > 1.968) and a significant value smaller than the significant level (0,031 < 0.05). The Corporate Social Responsibility Cost that has been measured using the nominal scale in millions of rupiahs shows that in the past 10 years, the average Corporate Social Responsibility Cost owned by mining sector companies that were sampled in this study was IDR 27,672.08 million. Companies that have an adequate Corporate Social Responsibility Cost will give a positive signal to investors, stakeholders, society, government and consumen because the company is considered to be more concerned about the responsibilities it has towards the community and its surrounding environment and this condition will give a positive impact on the company's reputation and will lead to an increase in profits earn by the company because they business can running smoothly.

Conclusion

Based on the results of the 5 hypotheses testing, there are 4 accepted hypotheses and 1 hypothesis rejected. The results of this study indicate a significant positive influence from some of the adoption of SDGs-related accounting standards and its relevant costs on company's net profit. The results of this research show that the SDGs-based accounting standards and some of its relevant costs can be applied by companies in Indonesia because it doesn't have any impacts that can harm the companies but even can give positive impacts to the companies. This research is expected to be useful to increase knowledge and give a real picture for regulators, accountants and management on how to prioritize the SDGs in Indonesia's mining companies and provide an overview of how companies can prioritize the SDGs targets properly and in accordance with applicable standards and regulations in Indonesia.

REFERENCE

Australia, S. W. (2017, Juli 18). *Safe Work Australia*. Diambil kembali dari Lost time injury frequency rates (LTIFR) : https://www.safeworkaustralia.gov.au/statistics-and-research/lost-time-injury-frequency-rates-ltifr

Brigham, E. F., & Ehrhardt, M. (2005). *Financial Management Theory and Practice*. USA: South Western Cangage Learning.

Brigham, E. F., & Houston, J. F. (2014). *Dasar-Dasar Manajemen Keuangan*. Jakarta: Salemba Empat

Bursa Efek Indonesia. 2018. *Laporan Keuangan & Tahunan*. www.idx.co.id

Effendi, M. A. (2016). *The Power of Good Corporate Governance (Teori dan Implementasi)*. Jakarta: Salemba Empat.

Ghozali, Imam. (2018). *Aplikasi Analisis Multivariate dengan Program IBM SPSS 25*. Semarang: BPFE Universitas Diponegoro.

Harahap, Sofyan Syafri. 2013. *Analisis Kritis Atas Laporan Keuangan Edisi 11*. Jakarta: Rajawali Pers.

Ikatan Akuntan Indonesia. (2017). *PSAK 57 (Revisi 2009): Provisi, Liabilitas Kontijensi, & Aset Kotinjensi*. Jakarta: Ikatan Akuntan Indonesia.

Ikatan Akuntan Indonesia. (2017). *PSAK 60 (Revisi 2013): Instrumen Keuangan : Pengungkapan*. Jakarta: Ikatan Akuntan Indonesia.

Kasmir. (2015). *Analisis Laporan Keuangan*. Jakarta: PT. Raja Grafindo Persada.

Kiran, S., Kakakhel, S. J., & Shaheen, F. (2015). CORPORATE SOCIAL RESPONSIBILITY AND FIRM PROFITABILITY: A CASE OF OIL AND GAS SECTOR OF PAKISTAN. *City University Research Journal*, 110-119.

Martani, D., Siregar, S. V., Wardhani, R., Farahmita, A., Tanujaya, E., & Hidayat, T. (2015). *Akuntansi Keuangan Menengah Berbasis PSAK Buku 2*. Jakarta: Salemba Empat.

Noe, R., Hollenbeck, J., Gerhart, B., & Wright, P. (2014). *Human Resource Management: Gaining a Competitive Advantage*. Jakarta: Salemba Empat.

Noe, R., Hollenbeck, J., Gerhart, B., & Wright, P. (2014). *Human Resource Management: Gaining a Competitive Advantage*. Jakarta: Salemba Empat.

PwC. (2018). *SDG Reporting Challenge 2018*. Diambil kembali dari https://www.pwc.com/gx/en/sustainability/SDG/sdg-reporting-2018.pdf

Safe Work Australia. (2017, Juli 18). Diambil kembali dari Lost Time Injury Frequency Rate (LTIFR):https://www.safeworkaustralia.gov.au/statistics-and-research/lost-time-injury-frequency-rates-ltifr

Scott, B., & Brigham, E. F. (2008). *Esential of Managerial Finance*. USA: South-Western.

United Nations. (2018). Diambil kembali dari Sustainable Development Goals: http://www.un.org/sustainabledevelopment/sustainable-development-goals

Wahyuni, E. T. (2018, April-Juni). Dampak SDGS Dalam Laporan Keuangan dan Peran Penting Akuntan. *Majalah Akuntan Indonesia*, hal. 24-26.

Warren, C., Reeve, J., Duchac, J., Suhardianto, N., Kalanjati, D. S., Jusuf, A. A., & Djakman, C. (2014). *Pengantar Akuntansi Adaptasi Indonesia*. Jakarta: Salemba Empat.

Zainal, V. R., Ramly, M., Arafah, W., & Mutis, T. (2015). *Manajemen Sumber Daya Manusia (Untuk Perusahaan dari Teori Praktik)*. Jakarta: PT Raja Grafindo Persada.

ICOI

ORIGINALITY REPORT

14%	15%	11%	4%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

PRIMARY SOURCES

1	jurnal.stie-aas.ac.id Internet Source	3%
2	ijmmu.com Internet Source	2%
3	journal.stkipsingkawang.ac.id Internet Source	2%
4	eprints2.undip.ac.id Internet Source	1%
5	cscanada.net Internet Source	1%
6	journal.unnes.ac.id Internet Source	1%
7	www.ijebmr.com Internet Source	1%
8	"Complex, Intelligent and Software Intensive Systems", Springer Science and Business Media LLC, 2021 Publication	1%

Submitted to Flinders University

9	Student Paper		1%
10	jssidoi.org Internet Source		1%
11	ijemr.politeknikpratama.ac.id Internet Source		1%
12	www.ijsr.net Internet Source		1%

Exclude quotes	On	Exclude matches	< 1%
Exclude bibliography	On		