

THE SOCIAL INTERPRETATION OF ACCOUNTING ENTITY IN THE PERSPECTIVE OF THE SEMAR'S PHILOSOPHY

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ABSTRACT

This study aims to (1) understand the meaning of accounting entity and (2) find the meaning behind that understanding. This research was conducted by Semar's philosophy analytic. Semar is a Javanese mythology in staging wayang art. In the art of wayang, Semar is described as a figure who has the nature and character of the binary opposition synergies. The results of this study explains that the business entity is interpreted as 1) a position of equality between concept and practice, 2) the harmonization of conflict of interest, and 3) social environmental sustainability of enterprises. Analysis using the philosophy of Semar deconstruction explained the concept of business entity as a combination of the purpose of acquiring social prosperity and environmental sustainability of enterprises. While accounting practices aimed at unit management administrative in distribution of profits to the welfare of stakeholders, social, and environmental sustainability of enterprises. Furthermore, the study also found the concept of assets in terms of working capital to generate profits combined with an asset in terms of tuna Satak (Javanese term meaningful philanthropy). Residual interest in the assets after deducting liabilities (equity) distributed to the owners group and the group bathi sanak (Javanese term meaningful kinship care).

Keyword: Semar Philosophy, Javanese Mythology, Accounting Entity

Introduction

Entity theory and agency theory is the underlying concept of the company's activities related to corporate responsibility on the parties concerned. Business entity concept states that companies with all the activities personified capable of acting on its own and be responsible for his actions as humans (Dejnozka, 1997). The notion behind the entity theory explains that the company as a business entity for his own interest in the survival and development, which is separate from its owners (Kam, 1990). In line with this, agency theory initiated by (Jensen and Meckling, 1976) explains that in the company there is a contractual relationship that puts management as an agent who was given the mandate to manage the company and the owner as a principal requesting management responsibility for the management of the company. In this case between the management and the owners have a distinct and separate responsibilities.

Meanwhile, the company's business practices will always have an effect on social and environment life. Social and environmental effects derived from the economic actions of the company to certain groups in an environment requiring a responsibility. These responsibilities aimed at preserving the company's relationship with social and environment life of the company. Social responsibility specifically examine the scope of the public, social communities, and the relationship between human and environmental responsibility in particular examine the scope associated with the natural environment and widely is this planet.

The different responsibilities between management and owners of the business entity have an effect on social and environmental responsibility of the company. In this case management responsibility is to notice social and environmental effects. The management's attention requires costs to be incurred by the company. These costs result in reduced profits. This has sometimes lead to action pessimistic some managers of companies who believe that it is better to ignore the risks of social responsibility and environmental companies compared with the risk of corporate expenses increased or profit decreased due to the company's attention to social responsibility and the environment (Hiller, 2013) They are worried that corporate profits are declining, resulting in reduced compensation in the form of bonuses to be received. On the other hand the owner does not need to be responsible in all activities of the company including social and environmental effects of the company (Conard et al, 1993). The owners do not need to worry about losing anything regarding the social and environmental effects of the company.

In emerging countries such as Indonesia, if the company ignores social and environmental responsibility, there will be a conflict between the company and the people residing around the company. In fact the conflict is not only between communities and companies, but they also require the owner to be responsible. They are less satisfied if only the management that confront the conflict settlement. Instead they demand both management and the owners bear all the losses due to the fault of the company.

Social reality in Indonesia related to social and environmental responsibility is different from concepts like entity theory and agency theory. If both state that only the management should be responsible for resolving conflicts between people and companies, but on the contrary the social reality that occurred in Indonesia stated that both management and owners should be

responsible for resolving the conflict with the public. The management and the owner is a unity in addressing social and environmental conflicts.

Entity theory and agency theory constructed by business practices in western countries. The business practices oriented to welfare for the owners of capital. The ultimate goal is to obtain the maximum welfare. The greater the ownership of capital, the greater the demands on the welfare owner. Instead of capital manager shall attempt to owner's wealth continues to grow.

Meanwhile business practices in Indonesia heavily influenced by indigenous cultures. Local wisdom is a guide for the Indonesian nation in all aspects of life. One of the local wisdom that affect the life of the nation Indonesia is the Javanese culture. Indigenous Javanese culture is upheld by the Indonesian people in general. One of the principles of life that do to this day is the principle of '*Gotong Royong*'. This principle teaches people to mutual help alleviate the interests of others.

The research will focus on the issue of differences in roles between management and owners of the business entity associated with social responsibility and environmental effects. Social interpretation of business entity aims to explain the social reality of the different roles and management responsibilities associated with the owner of the social and environmental effects of the company. This study aims to (1) understand the meaning of accounting entity and (2) find the meaning behind that understanding.

LITERATURE REVIEW

The concept of a business entity by entity theory and agency theory create differentiated responsibilities between the owners and management. Such differences have implications for the actions of each party. The owner acts based on the motivation to improve their welfare as much as possible. This motivation often encourage actions beyond the limits of resource exploitation. Even the act of exploitation is deliberately made the company into a milch cow. While management will do everything possible to achieve its profit target that has been set. Maximum effort to achieve profit management companies often ignore the social and environmental effects of the company.

The basic concept of accounting is a logical consequence or derived from the adoption of the concept of business entity that was built by the entity theory and agency theory. Criticisms made many researchers say that the social reality of modern accounting through its accounting entity concept creates imperialism or capitalist reality in various forms (Hauriasi and Davey, 2009; Chew and Greer, 1997; Gibson, 2000).

Related to this, one of the common characteristics of accounting systems in developing countries, including Indonesia, is that they system just extensions that have historically come from the imperialist countries or West capitalist, particularly Europe, USA, and Australia. Typically these systems have been introduced either through colonial influence and / or power of the investor (Hove, 1986; Perera, 1985). In addition, the accounting practices and traditions that are used without considering seriously the real situation and needs of the recipient countries (Hauriasi and Davey, 2009). Meanwhile, evidence that the adoption of entity theory also made feuds with local culture and customs described in several studies as summarized in the following paragraphs.

Hauriasi and Davey (2009) summarizes studies of accounting and culture in recent decades, that has been visible improvement of the research conducted to assess the appropriateness of the accounting system Southwestern imported into developing countries (Askary, 2006; Briston, 1978; Brown and Tower, 2002; Chand, 2005; Hove, 1986; Perera, 1989b; Samuels and Oliga, 1982; Wallace, 1990; Wickramasinghe and Hopper, 2005). Studies have been conducted to doubt the ability of the system (Western accounting practices) to meet the needs of developing countries, so that they are called to identify their own needs, and based on local conditions, to develop new systems or modify existing. Given the history of the domination of Western imperialism and colonialism, it is difficult without appreciating the impact of accounting and accounting systems to the cultural values and customs of society.

The role that has been played in the accounting and the impact of colonization on indigenous peoples / cultures (indigenous culture) increasingly debated (Gibson, 2000 and Neu, 2000). Most recent studies highlight the inherent tension between the values of Western accounting and core values of the local customs. Often, local traditional values, for example on employment, land and fundamental of kinship contrary to the values and principles imposed by accounting and accounting systems (Greer and Patel, 2000). The dominant Western accounting systems and practices tend to increase property values and social and family economics over traditional values.

Evidence that global economic integration and economic values of the narrow threatens core values of a culture study showed Hauriasi and Davey (2009). Research Hauriasi and Davey conducted on 25 participants consisting of financial managers senior in the government sector and the private sector, accounting academics, accountants professionals, religious leaders, and community of indigenous leaders in Solomon Islands is a country that still upholds the values of togetherness, bondage and kinship responsibilities embodied in indigenous perspectives on work and residence. Interviews with participants first performed in 1997 and the last in 2007.

Participants are asked his views on the relationship customary values of three important themes: attitudes, economic activity and accounting. In addition, also the view of the relationship the adoption of the West against the three themes. The results of research Hauriasi and Davey (2009) shows a view of opposites between traditional values and the adoption of the Western system. Solomon cultural values of upholding accountability transparent, consultative leadership, and kinship and record their

social responsibilities. Instead they avoid several things, namely: orientation profit / wealth, the competition among members of the group, the separation of the entities on the owner, and time constraints. Learn their results as shown in following table:

Table 1
Difference Characteristics Solomon Community
Economy in the Context of Adoption of Western and Local Culture

Theme	Sub-theme	Traditional society	Contemporary society
Behavioral	Forms of accountability	Close knit community ensures greater transparency, personal accountability from leaders	Leaders often remote from subjects, less transparent, often discharge accountability through institutions
	Command and control	Leaders operate through consultation and consensus	Individuals and institutions given formal powers to command and control subjects
	Human relationships	Kinship relations are paramount and cement societies	Kinship relations still important but under strain from demands of capitalistic activities
Business/ economic	Profit maximization and wealth accumulation	Profit making and wealth Accumulation unimportant, if not discouraged	Profit making for business is preferred but not at the expense of family relationships
	Separation of business entity from ownership	No separation exists in traditional worldview	Accounting is promoted along this principle but limited application
	Competition	Takes place between members of out-groups, discouraged between and among family groups	Implicit competition among related groups and individuals. Open competition only between unrelated groups
Accounting themes	Forms of accounting	Mostly oral transmission. Use of physical objects to record social obligations	Use western accounting systems mainly to meet statutory obligations
	Time consciousness	Work done at personal convenience. Time is unimportant	Value of time is being recognized, but minimal adaptation to its demands
	Personal performance measurement	Being part of group more important than personal contribution	Recognized in modern organizations but limited application

Long before the results Hauriasi and Davey (2009) has published, Chew and Greer (1997) has found the reality of oppression and alienation of the Australian Aboriginal people and Torres by Western imperialism. In the paper Chew and Greer examine the role of accounting in the persecution and alienation continuously against the Australian Aboriginal and Torres. Chew and Greer article also intended to correct the imbalance by examining problems arising from the coercion West against this form of accountability in the context of Australian society and Aboriginal Torres Strait Islander (ATSI). It is pitch-motivation by Yirra statement presented to the Minister in the country by Kimberley Aboriginal Land Council. In a statement Yirra, Kimberley Land Council encourage the establishment of the authority of the Regional Kimberley same as Torres Strait Islander Authority which aims to take over some of the functions currently performed Aboriginal and Torres Strait Islander Commission (ATSIC) for ATSIC in its current form is no longer relevant to the needs of the Kimberley ,

Tensions between the parties adopt a system of accountability West with indigenous peoples Aboriginal caused by several problems (Chew and Greer, 1997), namely: first a structural problem, modern organizations tend to rely on ex-post controls as well as accounting for the delegation of authority for decision-making to lower-level managers, while Aboriginal communities dependent on ex-ante control where there decision makers at the grassroots level. The second is the problem of ideology in which the discourse of domination has the potential to make or change the self-consciousness of those involved in the process of accountability. Accountability system within the context of Aboriginal must consider Aboriginal culture and avoid the potential for colonization of the accounting system.

Continuing what has been done by Chew and Greer (1997), Gibson (2000) confirms that the language and terminology of accounting has been and continues to be an effective weapon to create powerlessness (disempowerment) and the disenfranchisement (dispossession) Aboriginal people of Australia. Two of the weapons used to make powerless Aboriginal communities is economic tool in the form of accounting and accountability rhetoric (Gibson, 2000). One form that makes the disempowerment of Aboriginal people is the concept of land ownership, as follows:

...it was used, cared for and held in trust for future generations. It was also shared with others: to control land is not to enjoy it exclusively but rather to exercise the right, which is at the same time an obligation, to allocate rights in its resource to others.

RESEARCH METHODOLOGY

A qualitative approach will be used to explain social interpretation of business entity. The values of local wisdom on the Javanese culture is used as an analytical tool to help solve the problem of research.

Thinking of the Javanese and Binary Opposition Synergy

As is generally known, the Javanese many uses mythology wayang to interpret his world because it contains a variety of concepts and modes of thinking. Wayang is a religious mythology which is almost universally accepted for the Javanese. Mythology indicate that there are attempts Javanese to explain the universe and the presence of position themselves in it, namely the natural governance relationship and supra-natural, with fellow human beings and himself. This is because individuals in wayang giving Javanese an instrumentality to interpret the contents inside and basic human traits (Laksono, 2009).

In the wayang mythology there are central figure and paradoxical, namely Semar. Known as the central figure, because Semar as the only figure capable of providing solutions dispute resolution between two great families, the Pandavas and Kaurava (Laksono, 2009). Meanwhile, the paradoxical nature according to Mulyono (1978), as Semar described as a creature that has the nature of 'paradoxical pairing'. Here is an overview Semar:

Semar is the human figure at the same gods. Outwardly form Semar described the same front and rear spherical. Then the nature of his expression a combination of masculine and feminine.

For the Javanese, Semar paradoxical pairs, it can inspire intrinsic attitude to life that is not always absolute. Semar not put superior (ie king) as the central, while the inferior (eg maids, courtiers) as marginalized. These figures fully understand its precepts as the incarnation of a god that human nature consists of pairs of opposites. Just as expressed by Boediardjo (1978), quoted by Laksono (2009) as follows:

Nothing is absolute, there are always twilights between night and day, grades between good and evil, shades between black and white, subtleties between love and hate, degrees between happiness and grief, as well as nuances between male and female.

Analysis Procedure

As described previously, this study uses the core concepts of qualitative approach. The use of this approach for the purpose of reading reality forming (socially constructing) the business entity and created reality (socially constructed) by the business entity. In addition, the reading of Javanese philosophy *tuna Satak bathi sanak* (TSBS) do as a reflection on the interpretation of the informant. As explained earlier that philosophically TSBS contains three important concepts, namely the concept of harmony, functional structural, and transcendent. Deconstructive readings are also done to find out the meaning behind the interpretation of the informant. Semar thinking model used to determine the deconstructive meaning of the interpretation of the informant. To understand in depth the three concepts do analytical procedures that can be served the following:

1. The interpretation of the concept of unity of effort by the informant. This phase resulted in the reality of the concept of business entity according to the informant, namely the informant interpretation of reality that forms the business entity (socially constructed) and created by the business entity (socially constructing). The interpretation revealed what their background by profession, position, experience, and interests of each informant.
2. Researchers interpretation of the concept of the business entity from informant interpretation results. At this stage it is possible to discover and acquire new reality that comes from the interpretation of informants
3. Reflections on the interpretation of the business entity on philosophy of TSBS. This stage aims to find reflective meaning of business entity that refers to three important concepts of business philosophy of TSBS, namely: the concept of harmony, functional structural, and transcendent.
4. Semar-style deconstruction. This stage aims to uncover the reality behind the interpretation of informants and reseache with reference to TSBS reflective meaning to business entity.

RESULTS AND DISCUSSION

This study uses Semar philosophy as a tool to read and understand the social reality of the business activities of daily informants. According Suratno & Astiyanto (2009) Semar philosophy related to Javanese business practices revealed in business proverb the TSBS. TSBS is a phrase that can be found in the association businesses in the traditional markets of Java. In practice, they usually express these proverbs in the event of business relations (seller-buyer). Suratno & Astiyanto (2009) explains that the etymology of the phrase is a sentence consisting of four words, namely Tuna (translated: loss), Satak (translated: money), Bathi (translated: gain or profit), and Sanak (translated: brotherhood). The full expression implies that losses in the form of money is not a problem because there is still a business advantage in the form of fraternal relations (Suratno & Astiyanto, 2009). Business advantage is not only measured in terms of the cash flows into the company, but there are more important that comprehensive fraternal relations.

Geertz (1965) expressed the same views of the Javanese culture related concepts TSBS core philosophy. The core concept of the values embodied in the philosophy of TSBS include: first, the concept of harmony which describes the ideal business practices without causing horizontal conflicts. Second, the structural-functional concept which assumes that any individual or institution

has the duty and function of each. They should work in accordance with its duties and functions. Third, the concept of transcendental associated with the values of divinity and non-material.

Idealism versus Pragmatism Informant

Referring to the context of informants knowledge about the business entity, then the reality of the separation of the company's control of its owner is subjective idealism. The subjective idealist says that there can be no objects or perception without someone who knows the object or perception, the subject (sense or the know) seemed to create the object (the so-called material or objects) that what is real is reasonable conscious or sense perceptions conducted by the (Forsyth, 2001). An understanding of accounting entity exists because consciousness that comes from the process of learning and teaching in an academic environment. Consciousness then considered that the concept of having an entity that does not violate ethical consequence, the company is an entity that personified as people. According to the subjective idealism accountant, as a person, the company has a liability, obligation economics, and social and environmental responsibility. The subjective idealism to be indifferent to the reality that demands a consequence the contrary, even if most people do not agree with his thinking.

Pragmatic view asserted instead that the truth of praxis measured by the criterion of whether it is functional in the life practice (Rachman, 2009). He confirmed that a praxis that is true, if the consequences of such practice has functional usage for real-life practice culprit. In view of the practical level idealists (accountant) can not be accepted by the owner pragmatism. Separation of control of the company by the owner does not meet the pragmatic desire. Practice what happens is the owner wants to intervene that do the management control of the company. Involvement of the holders in control of the company is believed to be a reasonable practice according to the owner pragmatic thinking. The pragmatic desire based on the interests to control the opportunistic behavior of management to maximize profits himself. Pragmatism owner is also used to suppress information that is not symmetrical so as to minimize the cost of control of the agency. The behavior of the owner obviously is unethical according to the idealist standpoint.

Instead of a corporate governance standpoint, pragmatism owner is also at odds with the management. Pragmatic view of management is to create goals kongruens between the target company and the interests of stakeholders. The involvement of the shareholders (owners structures form) in the control of the company become a bottleneck in the critical decisions of the company. Such behavior will encourage injustice that ultimately lead to conflict among stakeholders (Heugens et al. 2009).

Table 2

Business Entity in the Perspective of the Semar's Philosophy				
Central Concept	Dimension	Indicator	Aspects of responsibility	
Harmony	Microcosmos	Soul, conscience Mind	Motivation to satisfy personal welfare Strategy of achieving short-term goals	
	Macrocosmos	Community	- Mutual respect for others and tolerance - Comply with applicable customs - Giving priority to public interest	
Functional structural	economy	Profit	Business purposes seek maximum profit	
		The value of benefits	Produce a product that is worth the benefit	
		Welfare	Joint prosperity	
	Social	Human Resources	Recruitment	- Rules of a good tutor - Delegate responsibilities are clear - Measurement of a fair performance
			Human rights	- Transparency employee selection - Opportunity surrounding communities for selection
		Produk	Handling of human rights violations of fair	
		Community service	Produce a quality product Priority on customer satisfaction	
	Environment	Materials	Selection of raw materials flammable	
		Natural resources	Preserve nature	
		The environmental impact	Prevent the pollution of air, soil and water	
Legal	construction of buildings	Business license	The obligation to have building permits	
		legal certification	The legal obligations have business license of production and trade	
	legal compliance	legal certification	The legal obligations of halal certified	
		legal compliance	The legal obligations of compliance with applicable laws	
Trancendence	Revelation	Conviction	Believes in God	

Business Entity in the Perspective of the Semar's Philosophy			
Central Concept	Dimension	Indicator	Aspects of responsibility
	Worship	Relationship between humans and God	Perform the duties of worship as a life goal
	Morality	Man's relationship with The Human	<ul style="list-style-type: none"> - Affection - Charity - Honesty - Tolerance

Reflective Meaning of Harmony on Business Entity Concept

At the individual level, a good interpretation of idealism and pragmatism informant on a unified effort in the young universe reflects the existence of 'self' respectively. The little universe is an element of human life in the form of the soul, conscience, and the human mind (Mulder, 1996). The existence of the little universe in every human being resurrected to act good or bad. The little universe in Javanese culture is also commonly referred to as the 'inner voice' (Suseno, 2001). According Suseno (2001) the inner voice is man's consciousness of obligation and responsibility as a human being in concrete situations. Zoetmulder (1974) in Daryono (2007) explains the meaning of the inner voice as the union of man with a sense of nature and God lived as beauty. People who are able to control his inner voice called post-rational-conscious people, namely those who mature moral consciousness (Suseno 2005). Inner voice can also arise because of the human learning experience (Suseno 2005).

The existence of *jagad cilik* (translated: microcosmos) in the form of human thought that is recognized by informants reflected in the interpretation business entity based learning experience. While the presence of *jagad cilik* in the form of an inner voice that encourages people to do good in order to maintain the authority. Their recognition of the existence of the *jagad cilik* is part of man's consciousness of obligation and responsibility as a human being in concrete situations.

In addition to the *jagad cilik*, the interpretation of idealism and pragmatism informant on a business entity also reflects the existence of the *jagad gedhe*. *jagad gedhe* is an element of human life outside himself in the environment and their social (Mulder, 1996). Environmental and social community in which humans live is the most important part that forms the character of the man himself. Therefore, they would look for the best place to build character (Mulder, 1996).

Interpretation informant of business entity does not separate between the *jagad cilik* and *jagad gedhe* but put both in balance. According to the viewpoint of TSBS harmony relationship between the *jagad cilik* and *jagad gedhe* an idealized aspiration (Daryono, 2007). Referring to the success of Sri Mangkunegara IV as a successful entrepreneur Java in the Dutch colonial period, Daryono (2007) identifies moral values are taught, that a certain psychic state in the form of serenity, tranquility and equanimity. This is a core characteristic of harmony view that is done by creating and maintaining harmony between *jagad cilik* and *jagad gedhe* (Daryono, 2007).

This study found the efforts of the informants create harmony between the *jagad cilik* and *jagad gedhe* as the embodiment of the condition of harmony. Informant opinion reflects the importance of harmony between the *jagad cilik* control, over the desire to increase the production rate that correlates with the increase in revenue and the *jagad gedhe* in the form of attention to the long-term risk, the environmental and social damage. Harmony condition according to the narrative created pragmatic informant for example in the form of sacrifice of opportunity cost by reducing the amount of production in order to maintain social and environmental safety.

Reflective Meaning of Functional Structural on Business Entity Concept

Functional structural is an individual understanding of the position and function in the social structure (Suseno, 2005). The understanding associated with their respective roles so that he must behave or work in accordance with the position (point of presence) and functions. The understanding contains moral values as a guide in the functioning of the relationship between individuals and individuals with the organization.

The research reveals the function of the individual in the social structure associated with a position in a variety of professions. Individuals who works as an accountant to explain his position at estesi service providers should work independently with separate interests on the owner of the company. According TSBS viewpoint position and function of the individual in the social structure cannot be influenced by anyone even though the position and function of the individual is dependent on another individual or organization (Pitoyo, 2008; and Daryono, 2007).

Position pragmatic informant has a responsibility to the supervisor who confirmed through a contractual relationship. The contractual relationship between the informant and the employer (manager) put them in a different position and function. There are limits to the execution of the work that is acting on behalf of the company. Although there atasanya managers as they work not for the benefit of employers. The manager as a boss is not entitled to claim the work already done or asked him to do a particular job for personal gain.

Reflective Meaning of Trancendent on Business Entity Concept

Leahy (1997) in his book *Belief in Contemporary Philosophy* defines transcendental meaning as something that is of top quality or beyond what is provided by the human experience. According to him, life leads into the transcendental, meaning as capable of revealing all the objective reality that is being done and disclose the total to the meanings of the most full of life.

Among Java spirituality, life of the world is believed to be the embodiment of the relationship between creators and *Gusti* as human beings who carry out the mandate *memayu hayuning bawana* (Endraswara 2013). The transcendent meaning *Gusti* decree refers to the creature to protect the safety of both inner and outer world. Koentjaraningrat (1984, 435) explains the meaning of *memayu hayuning bawana* of the birth, the relationship between humans and nature. Transcendental meaning according Suseno (2001, 168) refers to a moral person who is not only based on religious experience or related to the Lord, but the integration between the relationship, both man to man and man to God.

Daryono (2007, 169) describes the transcendent significance that draws on the success of Sri MANGKUNEGARA IV as an entrepreneur who gave birth to the ethos of 'self-transcendence'. Transcendence in view of Sri MANGKUNEGARA IV is his willingness to ngemong master ourselves and faith in other people (Daryono, 2007). Willing to be ngemong according Suseno (2001) is a form of disposition honest with others and believe in the good Lord's attitude, the attitude of affection from him.

Informants pragmatic trusts to the company to be responsible for the damage. The attitude of employers who want to protect the environment and the social ideals of them. Ideals does not belong to the individual but belongs to the generations after them. This is self-transcendence is expected to be owned by the employer, that is being honest and believing in the good attitude of the Lord who will give birth to the love between people.

Reflective Meaning of TSBS to the Basic Concepts of Accounting

The concept of business entity that separates the relationship between business entities with the landlord raises the business relationship between the two. According to the viewpoint of the business relationship stating that the owners or shareholders, or shareholders' equity owner is a property rights or values that are embedded in the company. This has implications for defining conceptually equity as a liability or the company's debt to the owner. The definition of 'lead' on the logic that the greater the value of the company's equity, the greater the company's debt obligations or to the owner. This implies that the greater the equity owners or shareholders they will increasingly have the orientation to sue the company for the amount of bills held.

In contrast with the definition of equity conceptually, structurally definition states that equity is the residual interest in the assets of the company owner after deducting liabilities (IAI 2017, KDPPLK paragraph 49c). Referring to the definition, the greater the difference between assets and liabilities, the greater the residual rights owners. Added asset can be caused by the flow of incoming assets (eg cash) that occurs because the company sells or goods or deliver services. Getting cash into companies commonly called the revenue. Thus it can be explained that the increase in income causes the owner's equity will increase (see the definition of income according to IAI (2017), KDPPLK paragraph 70a).

According TSBS viewpoint, the demands of the owner over the bill which was reflected by the equity value is reduced by the alignment of awareness 'self' owner (*jagad cilik*) on the environment and social enterprise (*jagad gedhe*). Owners on the functional structure to position ourselves as a part in maintaining the sustainability, environmental and social. Therefore, the increase in equity reflects the company's performance is not an absolute obligation or claimed as rising corporate debt that must be repaid to the owner. Equity owners or shareholders is a representation of awareness 'self' in the jagad cilik (consisting of the heart, soul and mind do not deny the desire of gain) as well as its position in the functional structure that its position as having the awareness to preserve the environment and social enterprise (*jagad gedhe*).

This research proposes the definition of equity that reflects TSBS (refer to the concept of harmony between jagad cilik and jagad gedhe, functional structural and transcendent), both conceptually and structurally. Conceptually, the equity has a meaning reflective as the company's obligation to the owners, environmental and social. Based on this definition, a claim on the bill which is reflected in the value of equity is not only owned by the owners or shareholders alone, but also the right to social and environmental flows. Structurally equities have reflective meaning as residual rights owners, environmental, and social on the company's assets after deducting liabilities. The increase in revenue according to this meaning resulted in an increase in owner's equity, environmental, and social.

Referring to the significance of reflective conceptually and structurally, the presentation of equity may be subclassified in the balance sheet (IAI 2017, KDPPLK paragraph 65). Equity is claimed as an obligation or debt of companies to environmental and social equity are classified separately as an obligation of the company to the owner. Such classification may be relevant for decision-making needs of users of financial statements to indicate when the post of legal restrictions or other restrictions on the ability of companies to share or use the equity.

IAI (2017) in the Framework for the Preparation and Presentation of Financial Statements (KDPPLK) paragraph 53 affirms that the definition of main asset must have the characteristics of the economic benefits. The economic benefits are measured by looking at the cash flow or cash equivalents donated to the company either directly or indirectly. The definition ignores potential future economic benefits that flow to the company's assets and the company's social environment. It is as disclosed in the paragraph 55 that identify the use of the asset and the future economic benefits of the intangible assets that can flow into the company in several ways.

Characteristics of use and economic benefits flow to the company's assets in accordance with paragraph 55 KDPPLK closing the possibility of cash or cash equivalents that flows outside the company except to the owner of the company. In a practical level, non-fulfillment of cash or cash equivalents that flows outside the company as the character of the economic benefits of assets may be understood as a matter of materiality as one of the characteristics of the quality of financial reporting. The emergence of the economic benefits for social and the environment caused by the flow of cash and cash equivalents were out and is not a

regular activity of the company is not considered material in terms of the production process so it does not meet the characteristics of an asset.

Referring to the human models in the organization as revealed by Donaldson (1991), KDPPLK human model adopted as a selfish actor, rationally they will maximize the economic benefit himself. It is to be reflected in the definition and recognition of assets only accommodate the asset as a potential contributor to the company's revenue. The concept was ultimately intended solely for the sake of the welfare of the owners, ie, with rising incomes will increase as well in owner's equity or shareholders.

KDPPLK ignore other human models, namely the human model that understands its role in the social organization as motivated by the desire you have to gain intrinsic satisfaction, fulfill social responsibility, and respect for the interests of humanity (McClelland, 1961; Herzberg et al, 1959). Investment owners or shareholders in the form of economic benefits that flow to the environmental and social (in the form of cash and cash equivalents) was not treated as a separate asset but as an expense in the financial statements. The treatment did not show the form of self-awareness owner or shareholder of the environment and social responsibility as an owner or investor.

Self-awareness owner or shareholder in harmony jagad cilik (motivation profit) and jagad gedhe associated with investments in assets that contribute to the economic benefits and social environment should not be limited by the assertion KDPPLK respect to the definition and recognition of assets. Freeing yourself from the definition and recognition of assets according helpful KDPPLK for sustainability, environmental and social. Assets that have economic benefits not only the company expected to generate revenue but also create environmental sustainability and social enterprise.

This study proposes defining the useful life of the assets which reflect TSBS (refer to the concept of harmony between the jagad cilik and the jagad gedhe, structural, functional and transcendent), namely: future economic benefits embodied in the asset is the potential of these assets to contribute either directly or indirectly direct, cash and cash equivalents to the company, environmental and social. This potential can be anything that is productive and is part of the activity, both in terms of operational and corporate responsibility to the environment and social. Assets expenditure has occurred and the economic benefits flowing to the environmental and social separately presented in the balance sheet with the economic benefits that flow to the company's assets.

Accounting Equation by TSBS Based

The concept of separate business entity with management control of the company by fund providers (creditors and owners or shareholders). SFBT reflective meaning the entity reflected in the core concept of 'self' owners or shareholders, consisting of harmony between the universe and the universe gedhe little structural, functional, and transcendent. The reflective meaning indicated he fully so that the assets entrusted to management is always shown the source or origin are reflected in equity (within the meaning of reflective TSBS). If the financial reporting refers SFBT reflective meaning, it must indicate this functional relationship. The functional relationship direpresentasi by the following accounting equation:

$$\text{Common Asset} + \text{Tuna Satak Asset} = \text{Liabilities} + \text{Stockholder's Equity} + \text{Bathi Sanak's Equity}$$

As described in the definition of equity according SFBT reflective meaning both conceptually and structurally, which is claimed as equity or corporate debt obligations to the environment and social equity are classified separately as an obligation of the company to the owner. Referring to the definition, the equity in the accounting equation can be divided into stockholder's equity and Bathi Sanak's Equity. Stockholder's equity represents the owner or shareholder claims on residual interest in the company's assets after deducting liabilities (Liabilities). The increase in equity in earnings is due to the group, namely the increase in economic benefits during an accounting period in the form of cash and cash equivalents flow coming into the company.

In addition, there is a residual interest in the assets of companies for environmental and social. Equities are grouped into Bathi Sanak's Equity. This account group claims represent a residual interest in the company's assets and social environment that comes from non-profit investment owners or shareholders. The increase in equity is due to the gains in the form of opportunity cost or savings of the expenditure that should occur due to maintenance of the environment or social demands. To represent the profit form this study uses the term Bathi Sanak's Equity.

From the left-hand side there are assets that are classified as common assets, for assets is defined as the economic benefits that contribute directly or indirectly, cash flows and cash equivalents to the enterprise. In addition there are the economic benefits of the assets flowing into the environment and social. The economic benefits of these assets are grouped into Tuna. Satak Asset. This term is used to reflect that the assets in this group did not contribute cash flows and cash equivalents (in the form of income) to the company. Income which should add to the equity owners or shareholders is not obtained within this group of assets that can be considered as 'non-profit investment'. TSBS reflective related to the meaning, the exact terms used in this study to represent 'non-profit investment' in the asset is Tuna Satak Asset

CONCLUSION

Informant interpretation of the concept of business entity to reflect on the business philosophy TSBS find the meaning of harmony, structural, functional, and transcendental behind the concept. According to the viewpoint of the meaning of reflective TSBS harmony in unity reflected on the alignment efforts in integrating the young universe (life, conscience, and mind) and the universe gedhe (environmental and social). Structural fully functional on the entity states that individuals and organizations have position and function so it must act in accordance with the position and function. Individuals and organizations are ethical norms can not influence the actions of individuals and organizations that have a different position and function. Reflective meaning transcendental entity TSBS point of view refers to the moral values that are integrated with spiritual experiences.

Referring to the core concepts TSBS, the study found meaning behind entity, namely accounting concepts with meaning reflective coherent entity. The accounting concepts is equity, assets, and the accounting equation. Construction concept of equity based business philosophy TSBS reflection raises equity groups named Bathi Sanak's Equity. The concept of equity reflects the value of benefits in the form not of money, but profits in the form of persaudaraan. While the concept of asset based business philosophy TSBS reflection raises Satak Asset Tuna asset group. The concept of these assets reflect the value that should be provided for the benefit of brotherhood.

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