

ACCOUNTING PRACTICE AND SUSTAINABILITY REPORTING IN INSTITUTIONAL THEORY PERSPECTIVE

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Abstract: This article documents and classifies sustainability accounting practices carried out by companies based on the frame of institutional theory. To achieve this goal, article writing is carried out based on reviews of articles published in various academic journals. The articles that were the object of the review were research papers that investigated the accounting implementation process and sustainability reporting in business entities. In the framework of institutional theory, the implementation of accounting and sustainability reporting by companies to date can be called a change (isomorphism) from conventional accounting practices. Based on the results of the research that has been done, the isomorphism can be further classified into three dimensions of the change process, namely (a) coercive isomorphism; (b) change through mimetic isomorphism; and (c) changes due to need or obligation (normative isomorphism). Thus, the results of the research show that not all of the accounting and sustainability reporting practices carried out by the company are based on the needs and obligations according to norms, but some are simply imitating or following along, some are even based on compulsion.

Keywords: Sustainability Accounting, Institutional Theory, Isomorphism, Coercive, Mimetic, Normative
